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THE FINANCIAL POST

Canadian Mining News Department Page 20

The Canadian Newspaper for Business Men and Investors

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 5, 1932 | 10c a Copy; $5.00 a Year | No. 10

The Nation's Business

Empire Currency and Central Bank
Both Need Much Deeper Study
Piffling Probes Waste M.P.'s Time
Reforming Civil Service

Parliament Discusses Banking and Currency

THE professional and amateur political economists are sharpening penpoints and thumbing textbooks, preparing for the great monetary debate that is on the tapis. Parliament has asked the Imperial Conference to discuss Empire currency; Mr. Bennett has opened the field for a debate on a central bank for Canada. Both subjects present a wide open field for argument. Full advantage will be taken of the opportunity. This is the hey-dey of the monetary economist and the monetary quack alike. There is nothing more plausible than a new and lucid money theory. There is nothing more gullible than a public ravaged by the ill-effects of the failure of gold to operate—or perhaps one should say to be operated—in the public interest.

* * *

IN THE Financial Post of February 13 a lengthy article reviewed all the leading opinions expressed to date on the subject of an Empire currency. Many previous articles have appeared. The suggestion is not a new one to our readers. It is critically discussed elsewhere in this issue by a University of Toronto economist.

There are two conceptions of the stabilization of currency. One is internal stabilization; maintaining the purchasing power of the dollar (or the pound or the franc or the lira) stable within the country where that particular currency is used. Having witnessed the convulsive effects of changes in the price level, most people are willing to try almost anything in an attempt to gain some stability of prices in the future. The second is stability of external values of different currencies to avoid the wide fluctuations in foreign exchange rates that are so upsetting to international trade. The new Empire currency, it is hoped, would accomplish both objects so far as Empire countries are concerned. It is an ambitious project beset with many difficulties. But it is not quite as ambitious as the hopes of some economists that world currencies may eventually be stabilized not only in relation to one another but in relation to the general level of prices.

* * *

WE IN Canada must be careful not to enter into any scheme of Imperial monetary management that will substitute for our present monetary independence control by the international bankers of London and Washington. We must not overlook either our close trading relationships with the U. S. Stability of exchange rates between Canada and London is of less importance to us and will be for many years less important than stability of exchange rates between Canada and New York.

Imperial currency is still a vision which only the ablest and most practical monetary economists will be able to transmute into workable reality. It is right in theory but before it is adopted Canada should be sure it is going to be right in practice.

* * *

MR. BENNETT'S hint that Canada may need a central bank will give great encouragement to those who have long contended that this country requires a more precise form of central banking legislation. But again the subject is one that admits of spirited debate. In inferentially suggesting a liaison with Washington, Mr. Bennett reveals in stark nakedness a hazard to which Canada would subject itself by setting up a national bank of rediscount for the purpose of managing the supply of credit and smoothing the fluctuations in foreign exchange. Eventually such an institution, unless managed in a most remarkable manner, would drift under the influence either of Washington or London. It would take its advice, if not its orders, either from the Federal Reserve Board or from the Bank of England which has been for some years under the influence of those back of the Federal Reserve. Our present independence in banking and monetary management would be weakened. In the record of the post-war years Canadian banking

(Continued on page 2, col. 4)

TWIN CITY COST DROPS QUICKLY, IS SIGNIFICANT

Can Long Downward Trend in Street Railway Earnings be Arrested?

ONE-MAN CARS

Cutting Out Unprofitable Suburban Routes — Salary and Wage Reductions— Higher Speeds

Although Twin City Rapid Transit Co. only earned $185,129 toward the $880,000 necessary to pay common stock dividends in 1931, great interest attaches to the programme for 1932 and the economies it is hoped to effect. Mark Wolff, New York, who headed the proxy committee which closely contested the election of the present directors in 1931, this year abstained from opposition on the ground that the management had put into effect most of the economies urged upon it by the minority.

The minority's recommendations had been that the company should make much greater use of one-man cars, should reduce salaries, wages and personnel and should save on power. Mark Wolff estimated that savings which apparently went into effect on January 1, 1932, included $150,000 as a result of the extension of one-man cars, $250,000 for reduction of trainmen's wages and $125,000 as saving on power plant costs. This makes a total of $525,000; adding this to the surplus earnings of $185,129 for 1931 there would apparently be $710,129 earned toward $880,000 necessary for common dividends, if in all other respects 1932 should be the same in results as 1931.

Easy Parking Hurts Company

No year is ever just like those that preceded it even in the case of public utilities. Growth of automobile ownership and bus traffic has since 1920 reduced the number of passengers carried yearly by 175,000,000 and the last three years have accounted for 45 per cent of that decrease. A considerable part of the decrease in these later years may be considered to be due to the greater totals of unemployment and part time employment and in 1931-32 to the unusually mild winter. A permanent factor is that Minneapolis has unusually wide streets in business districts, which facilitates parking to an extent not possible in many other cities.

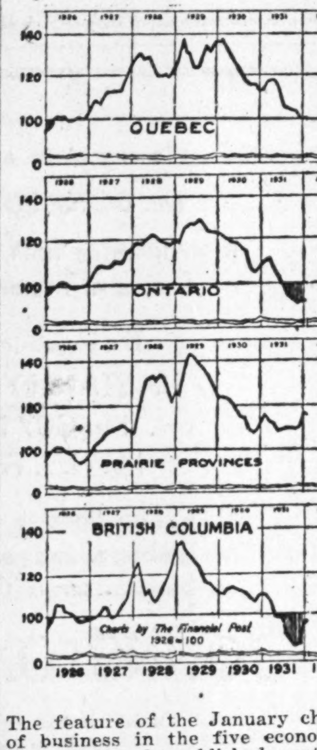
On July 1, 1931, all salaries and wages were materially reduced, reductions ranging from 5 per cent to a higher figure. The total salaries of executive officials in 1932 will be 50 per cent of the amount in 1930. Starting in 1932 trainmen's wages were reduced about $300,000 yearly by the discontinuance of time allowances. Cost of maintenance and rebuilding of equipment has been reduced by 17 per cent as compared with 1930. The total payrolls for 1931 as compared with 1929 were reduced by more than $1,000,000 and reductions of about $400,000 are forecast for 1932.

Price Decline Aids Tramways

When there was a sharp decline in commodity prices after the post-war inflation it was freely stated that the decline would favor public utility companies and that tramway companies especially would be able to get costs down to a level where profitable operation would be possible. In pre-war days many companies were able to make money on a 5 cent fare, but wage increases, increased cost of materials used, including cars, and heavy capital ex-

(Continued on page 2, col. 4)

Maritimes Decline



The feature of the January chart of business in the five economic areas of Canada, published monthly by The Financial Post, was the slump recorded in the Maritime Provinces. For details see page 7.

New Empire Currency Might Fail to Work

Imperial Conference Will be Asked to Discuss Proposal But There Are Important Points to Consider

By A. F. W. PLUMPTRE
Lecturer on Money, University of Toronto

Are we going to have an Empire currency, and if so what good would it do us? These are questions which naturally arise out of the statements and proposal made by Rt. Hon. R. B. Bennett and the Hon. H. H. Stevens, Minister of Trade and Commerce, in the House of Commons last week. From the discussion and the resolution which was passed it appears that the Canadian delegation to the Imperial Conference, meeting in Ottawa next July, will be prepared to discuss, if not actually to recommend, the adoption of some new empire-wide scheme of currency management. The prime minister himself admitted the desirability of measures which might lead to the stabilization of the purchasing power of the currencies of these countries, covering one-quarter of the world's surface and including one-quarter of the world's population.

Reviewing the havoc and chaos which has followed upon the 25 per cent fall in world wholesale prices during the last three years, everyone will sympathize with the desire for stable prices in general. But is an Empire currency the most desirable and the most practicable way of attaining this stability of purchasing power of money?

In order to answer this question it is necessary to explain what is meant by an Empire currency. Unfortunately different people mean different things. There seems, however, to be two main groups of opinion.

Some people mean that they want or expect England to remain off the gold standard and to manage her money and credit supplies in such a way as to stabilize the purchasing power of the pound sterling; that is, to stabilize the English price level. Then other countries in the Empire would attempt to stabilize their exchange rates with England, and in doing that they would roughly stabilize the purchasing power of their own currencies.

The result of a general adoption of this policy by the Empire would be that the chief countries of the world would be divided into two groups. On the one hand would be, the sterling group, and on the other would be the gold group. Between countries within each group, exchange rates would remain roughly constant. Between the groups exchange rates would vary. But in the sterling group there would be a conscious effort to stabilize prices; while in the group that remained on the gold standard the only price that would be stabilized (and that permanently by law) would be the price of gold. Other prices would rise or fall as the value of gold fell or rose, the value being determined by the supply and demand for the metal. These factors are obviously unstable and unpredictable. Therefore there are strong arguments for being in the sterling rather than the gold group. In fact it is certain that many nations other than those in the Empire would join such a group, which is in fact developing at the present time. The Scandinavian countries and at least one South American country are at present maintaining their currencies on a fixed exchange rate basis with England.

But too much should not be expected of an effort on the part of the countries of the Empire to maintain a fixed exchange rate with England and thus with each other. The recent history of the gold standard gives us this warning. For after all the gold standard was simply a means by which all the countries on it tried to keep their exchange rates constant by means of making their currencies exchangeable into fixed amounts of gold, and thus into fixed amounts of each other.

The gold standard broke down because various countries on it were either unable or unwilling to control the purchasing powers of their currencies in the ways which were necessary in order to maintain the standard. And it it an open question whether the various countries of the Empire could or would control the purchasing power of their currencies in such a way as to make stability of the sterling exchange rate possible.

The present position of the exchange rates throughout the Empire does not suggest that it would be an easy task to maintain sterling stability for long.

The South African pound is still, thanks to governmental efforts, at its par value in terms of gold. The Canadian dollar, having slithered and slipped about on the

(Continued on page 2, col. 6)

Ottawa May Tax Public Ownership In Power Industry

Need of Revenue Cause for Long-Debated Step

TWO WAYS OPEN

Action Would Go Long Way Toward Placing All Power Firms on Equal Basis

From Our Own Correspondent

MONTREAL.—Placing the publicly owned power systems in the same category as the privately owned ones is understood to be under serious consideration by the Federal Government and that the forhcoming budget may include provisions to levy some form of taxation against the former organizations.

It is no secret that the Dominion has been looking around for new ways to get revenue. Most of the usual sources of income are paying heavy imposts, but one of the large untapped sources is the publicly owned power systems, which have revenues running into many millions of dollars, but to date have gone untaxed.

There is another reason, too, for the present consideration of taxing the publicly owned systems. For year past the privately owned companies have complained bitterly of the heavy taxation which they have to bear, when the publicly owned systems in some instances competitors—are exempt. It is claimed that this practice is unfair. They base the charge of unfairness on the fact that their customers have to pay the taxes, while the customers of the publicly owned systems are favored to that extent because of the tax exemption granted.

Suggest Alternative Tax

In the past the publicly-owned companies have not made much headway with the Dominion authorities in their efforts to bring about an equalization of taxation on the two types of system. To the suggestion that the Dominion should charge the publicly-owned systems an income tax, the reply has been that parliament was not empowered to do this under the British North America Act. The privately owned companies have obtained legal opinion to the contrary, however, but so far no action has been taken by recent governments.

As an alternative to the income tax, the privately-owned companies have suggested a sales tax on power sales. This could be so arranged that all systems would be taxed alike and thus bring about an equalization.

Large Revenue Likely

It is not known what the form of taxation will be if the Dominion decides to go ahead and tax all power systems, but, without doubt, considerable revenue would accrue to the Dominion coffers if such action should be taken. During 1929, the last year for which complete returns are available, the gross income of all privately-owned power companies in Canada was $66,000,000 and for publicly-owned systems $51,000,000, a total of $117,000,000. At that time only $66,000,000 of this large sum was subject to any form of taxation.

Many Public Systems

Few people realize the extent to which the publicly-owned power systems have developed in this country, though there are one or two provinces which still stand solidly back of private enterprise. Several of the provinces have their own systems, including Saskatche-

(Continued on page 2, col. 5)

Insurance Act May be Rewritten

From Our Own Correspondent

OTTAWA.—Rumor has it that when the new federal insurance acts are presented to the banking and commerce committee of the Senate for debate they will not be the same bills which were introduced by Senator Meighen a week or two ago.

Either they will contain important modifications and changes from the legislation recently proposed or else a further hoist will be given the statutes until such changes can be made.

The changes are believed to represent a compromise between federal and provincial authorities and may be the forerunner of a solution of the present jurisdiction squabble between the provinces and the Dominion.

GYPSUM'S NET IN PAST YEAR COVERS NEEDS

Report for 1931 Will Show Small Surplus for Common

NO BANK LOANS

Financial Position Well Maintained During Year —Introduce New Products

From Our Own Correspondent

MONTREAL—Gypsum, Lime and Alabastine (Canada) financial statement for 1931, which will make its appearance toward the end of March, is expected to show interest charges and depreciation, covered, with a small surplus applicable to the common stock.

Conditions in the building trades of Canada over the past eighteen months have, of course, not been altogether favorable and companies of the type of Gypsum, Lime have not been unaffected. The volume of business offering has been considerably below the average of the past three or four years, which has made for a lessening of plant operations and decline in earning power.

In 1930 Gypsum reported net earnings of $798,382, from which bank and bond interest, depreciation and other charges were deducted leaving a net profit of $308,364. This was equivalent to 68 cents a share on the number of shares of no par value common stock outstanding.

Result is Satisfactory

Ability of the management to cover all expenses with a small surplus left over, is to be considered as satisfactory in view of the difficult trade conditions prevailing last year.

It is understood that the volume of sales in 1931 was off about 30 per cent from that reported in the preceding year. Up until the last quarter operations had been conducted on a fair basis and had it not been for the sharp falling off in trade in the last quarter, final results for the year would not have been altogether unfavorable in comparison with 1930.

Operations for several months past have been concentrated in the larger and more economical plants. This has resulted in a material scaling down of costs, which has placed the company in a position to take advantage of any upturn in business.

How long the company will have to wait for an improvement in demand is a matter of guesswork at present. Meantime the financial position of the company has been maintained on a sound basis. At the end of the 1930 year the company had current assets of $2,038,683 and current liabilities of $424,380, leaving a net working capital of $1,614,303. This was over $150,000 better than at the close of the preceding year. The current liabilities represented trade bills, dividends payable, reserve for income tax and a bank call loan of $35,000 on account of a subsidiary, the Crystalite Company.

Eliminate Bank Loans

The 1931 balance sheet will, it is understood, show a continuation of the strong working capital position of the 1930 statement. It will also show that bank loans have been eliminated and that the liquid position of the company has undergone improvement.

Three new developments last year, of more than ordinary importance, were the entering into of a contract with Donnacona Paper Co. and arrangements made for the production of a cellular building material, as well as a new panelling product.

The contract with Donnacona provides that Gypsum would market a Donnacona insulating wallboard under its own trade name. The new panelling has many attractive features to builders and is understood to have met with fair response.

Introduction of the cellular building material follows many tests and development of special machinery for use in the process of mixing in the heavy foaming compound which gives the cellular structure to the materials. The company will use material from its own deposits for this new material and arrangements have been made with Canada Cement for the cement required for cell purposes.

Coming in The Post

In order to make room to publish Lawrence H. Sloan's striking address on Public Enemies of Savings, we have held over until next week the second article in Prof. D. A. MacGibbon's series of three on Canada's Future in Wheat.

Bonuses, subsidies for the asking! The Post has been studying the amazing total of subsidies paid from the Dominion treasury in reduced freight rates, steamship lines, coal movements, iron and steel production, cold storage warehouses, etc., etc. What these special subsidies have cost the taxpayers and what the country has received in return will be told shortly.

Highlights of the Week

Happenings That Make News for Post Readers This Week

Streamline Cars

Toronto holds an auto show. Ford's newest isn't there but the others are and they show rakish beauty, advanced mechanical improvements and low prices. Show supplement starts page 11.

Public Enemies

Nine foes of the saver: overstaffed investment bankers; haphazard maturities; government extravagance; high tariff walls; five others. Lawrence H. Sloan names them. Page 1.

Profit Sharing

It is fine when profits are high and rising. But how about now? First of series of articles discusses Simpson's plan. Page 17.

New Money

Scholarly debates in Parliament on Empire currency and central banking. Will Canada gain from either or both? Article by A. F. W. Plumptre on page 1; discussion in "The Nation's Business"; and on page 6 "The World at Large" is also germane.

Best Bonds

"Are there any good investments?" an expert was asked this week. "Yes," he said. "Canadian and U. S. government bonds." The weekly radio talk this week features government's and municipal's. Page 8.

Millions Well Spent

So declares John Barnett, former chairman of Soldiers' Settlement Board, defending veterans' land scheme. Page 3.

More on Mergers

Canada has seen plenty. Many fail from overloaded capitalizations; some from poor management. Others succeed. Third article in a series. Page 17.

Engineer or Not?

Mining investors ask defence against spurious reports by self-styled engineers. Seven provinces give protection; Ontario does not. Editorial on page 6.

New Constitution

Ottawa's insurance bill foreshadows underlying changes in B. N. A. Act. Page 16.

Stock or Bond?

Consumers Gas common stock is selling stock by tender in a market concerned largely with government securities. But Consumers Gas stock is next thing to a bond. Page 9.

Business

Canadian wage-earners' living standards cut in 1931. Page 17. Trade falls off in Maritime Provinces. Page 7.

Cites Nine Enemies Of Public's Savings

Future Economic Advancement of North America Dependent Upon Defence Raised Against Foes of Investment

By LAWRENCE H. SLOAN,
Vice-president, Standard Statistics Corp., in address to Canadian Club, Toronto

In the illimitable progress of the future, as in the amazing advancement of the past, the sanctity of the savings of our people plays a dominant role. In other words, our future economic progress must, as in the past, be closely interlaced with the supply of capital available to us. This capital must come for the most part either from our own savings, or from the savings of people elsewhere. It will only come if we can preserve the sanctity of savings.

We have not preserved the sanctity of savings in the past as securely as we should have done. Partially this has been due to our ignorance, partially to our honest errors, partially to our greed. We must set up new safeguards along the highway of tomorrow's advancement—better ones, stronger ones, safeguards built upon a larger understanding and a clearer vision than we have ever had before. The tempo of our progress must inevitably bear a close relationship to our success in the solution of this outstanding problem.

Need Savings in Business

We need in our business enterprise all of the savings money that is now there. So far as is possible, we want to preserve every penny of it. And we will need more and more and more of it as time goes on, as we further and further develop the magnificent physical resources which have been placed at our disposal by a bounteous Mother Nature. But how can we expect, as business men or bankers, either to retain the savings that are now in business or to attract additional sums, if we do not devise some means of giving more convincing and more secure assurance that these savings will be more adequately safeguarded?

You will doubtless recall that in Chicago not so long ago a group of civic authorities and prominent citizens emerged from a series of private conferences with a list of criminals whom they designated as "public enemies." Adopting a similar viewpoint and terminology, let us here enquire what forces are among the outstanding ones which function as the public enemies of the savings structure. The items on the list will not necessarily appear in the order of their importance.

SAVINGS ENEMY NO. 1

The investment banking house which has developed a sales technique that is superior to its competency in the matters of economic analysis and forecast.

In all of our financial structure I know of no more useful function, no more basically necessitous function, than that which is performed by the investment banker. This function, of course, is the collection of funds from thousands of individual savers or enterprisers, and making such funds available, in sufficiently large blocks, to private or public enterprises.

Salesmanship is Crux

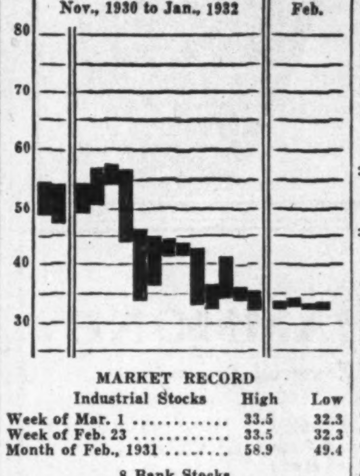
Now, the crux of the investment banker's organization is salesmanship. His capital cannot be sufficiently large to enable him to take in, and lock up in his safe for his own long term investment account, any considerable portion of the bonds and mortgages that are offered to him. He buys securities on a wholesale basis but must almost immediately resell them at retail deducting only a relatively small commission for his services.

So the investment banker must resell. His task would be greatly sim-

(Continued on page 2, col. 2)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Mar. 1	33.5	32.3
Week of Feb. 23	33.5	32.3
Month of Feb., 1931	58.9	49.4
8 Bank Stocks		
Week of Mar. 1	204	203
Week of Feb. 23	204	203
Month of Feb., 1931	249	244
10 Public Utilities		
Week of Mar. 1	54	52
Week of Feb. 23	55	53
Month of Feb., 1931	87	80

Brandram-Henderson Lowers Preferred Rate

From Our Own Correspondent

MONTREAL.—A reflection of the difficult situation prevailing in the paint industry is seen in reduction by Brandram-Henderson Ltd., of its preferred dividend. For the quarter ended February 29 a disbursement of 1 per cent has been declared indicating an annual basis of 4 per cent compared with the regular quarterly payment of 1¾ per cent or 7 per cent per annum.

Dividends on the $500,000 of preferred stock have been paid without interruption since 1912. Earnings in 1930, however, were not sufficient to cover interest charges after depreciation and payment of preferred and common dividends resulted in a deficit of $87,672. Surplus at profit and loss at the end of 1930 was $900,279.

In the past year problems of paint manufacturers have become accentuated. In addition to lower demand from larger industrial consumers there has been a tendency to cut prices with the result that profit margin on sales has been small. Figures covering operations on 1931 have not yet been published but it is expected they will show a further decline from the $66,299 reported in 1930. This compared with $245,477 in the previous year.

CAN. AIRWAYS WILL FEEL AXE ON AIR MAILS

Largest Operator Awaits Final Word from Ottawa

AFFECTS BIG MILEAGE

Freight Planes in Northwest Active — Three New Junkers Bought Recently

From Our Own Correspondent

MONTREAL—Canadian Airways Ltd., largest aircraft operator in the Dominion and a company in which both the Canadian Pacific and Canadian National Railways have a total investment of half a million, is waiting for final word from Ottawa on air mail contracts for the current year. Already its services have been widely curtailed and proposed reductions in governmental expenditures may ground all its planes with the exception of those engaged in freight and passenger activities in Western Canada.

Hope exists that the more vital airmail contracts, such as those which serve districts accessible only by plane, will be renewed. These include flights from Quebec to Anticosti Island, from Moncton to the Magdalen Islands and the now famous Fort McMurray-Aklavik mail service. Indications are, however, that mail services which at present compete with railways may be temporarily discontinued.

Wide Operating Scope

Canadian Airways activities extend from the Maritime provinces west to Edmonton and north to the Arctic. Today the company operates mail contracts from Quebec to Anticosti; Moncton to the Magdalen Islands, and from Moncton to Charlottetown. Mail is flown from Toronto to Detroit connecting with U.S. air lines, and in turn is picked up at Pembina, Man., and flown through Winnipeg, Regina and west to Edmonton. The Arctic service is also presently maintained. A Montreal-Saint John service has been discontinued and the daily Montreal-Toronto flight has been stopped.

Though air mail services may be cut down substantially Canadian Airways, through its Western lines operated by Western Canada Airways, is still busy as far as freight traffic is concerned. In recent weeks three new Junkers planes have been added to equipment, in addition to the giant Junkers, largest freight planes in the world, which was purchased late in 1931.

Serves Great Bear Lake

Services of Western Canada Airways have been in keen demand since the exploitation of Great Bear Lake began and the company's planes are making regular trips into this area. Island Lake is another scene of aerial activity and supplies and passengers are being flown in in substantial volume. The big Junkers, whose advent to Canada created quite a stir, is carrying in supplies for the Hudson's Bay Co. in the North West and is being kept busy throughout the winter. The plane is capable of carrying nearly 4 tons of freight and can operate within a 900-mile radius of its base.

Western Canada Airways is also operating the Winnipeg-Edmonton air mail service whose fate is hanging in the balance. This service represents one of the most notable developments in Canadian aviation and large sums have been invested by the government, municipalities, and the company itself in bringing it into being. The flights across the prairies are made at night a

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DOMINION BRIDGE PROSPECTS DULL AT PRESENT TIME

Small Carryover Into Year Compared With 1931

From Our Own Correspondent

MONTREAL.—Plants of Dominion Bridge Co. are reported as being relatively slack and prospects for business during the current year cannot be considered bright. One of the major jobs which may be secured by the company is construction of a large bridge spanning the St. Lawrence at Caughnawaga but in the main, outlook cannot compare with last year.

One factor which aided the company last year was the substantial expenditure made on account of employment relief construction work; sharp cuts in this direction are looked for this year. Further, all expenditure on capital account has been cut down to a minimum and it is in such major building contracts that Dominion Bridge is particularly active.

The bright side of the picture is the strong financial position held by the company at the end of the last fiscal period. Cash amounted to $1,090,181, call loans were valued at $2,142,576. Surplus at profit and loss was $4,328,283.

CAN. AIRWAYS WILL FEEL AXE ON AIR MAILS

(Continued from page 1)

factor which has involved the installation of modern and comprehensive equipment.

Consolidated Major Services

Canadian Airways, was formed late in 1930 as a merger of Aviation Corp. of Canada and Western Canada Airways represents the most comprehensive step which has been taken in Canada to develop an aviation business on sound commercial lines. The scope of the company is further demonstrated by the investment of $250,000 in its securities by each railway company There is, however, no public investment interest in the organization.

A statement of earnings and operations covering the 13 months ended December 31, 1930, contains the only figures which have been made available to date though results for 1931 should be published shortly. In the previous period the company's Western lines flew 1,213,925 miles of which 747,747 miles represented mail carriage. In the 12 months ended December 31, 1930, Eastern lines flew 754,199 miles, of which 634,448 represented mail transportation.

Net operating revenue of both lines was $1,817,543. After all charges, including depreciation of $418,332, the net loss for the period was $68,704. A feature of the balance sheet was the heavy write-offs made on account of depreciation, a verv necessary proceeding in aircraft accounting and one which is not always adhered to. Aircraft engines and other equipment were carried at $903,383, a figure which included a reserve for depreciation of $729,227.

At the end of 1930 Canadian Airways had in operation 51 single motored planes and one tri-motored plane.

CITES NINE ENEMIES OF PUBLIC'S SAVINGS

(Continued from page 1)

plified if there were no such element in this world as geography. But unhappily, we do have geographical distances. Investment funds must be collected from the four corners of the continent, and from all of the thousands and thousands of little pools lying in between. This means a country-wide distribution of salesmen and sales offices.

It means, in other words, a heavy overhead. It means a constant pressure to sell something. If there is nothing to sell, who pays the overhead?

And so it comes about that a saver who wishes to purchase someone's indebtedness is never at a loss for an opportunity. The supply is limited only by the saver's willingness to consume; never by the enterpriser's willingness to borrow. And so likewise, for one reason or another, it comes about that the saver is offered a certain volume of bad securities along with the good ones—securities which in some cases should have been offered to enterprisers rather than to savers; securities which in other cases should never have been offered to anyone.

Too Many Bad Issues

The fact that honest error is so much more often the motivating force behind the distribution of bad senior securities than is villainy or chicanery is quite beside the point. The indisputable fact is that, in the past, more bad securities have been offered to the savers of North America than should have been offered.

Let me again express the opinion, with all the vigor possible, that our future economic progress on this continent must inevitably bear a direct relationship to the volume of savings which can be diverted into business, governmental and municipal enterprises. Some means must be found first, for drawing a sharper line between enterprise money and savings money; second, for weeding out many securities of the type which have been offered to savers in the past but which should never have been offered to them, and therewith, third, of maintaining and even increasing savers' confidence in the reputable, careful, workmanlike investment-banking houses which stand as the intermediary between large and small pools of funds.

SAVINGS ENEMY NO. 2

The lack of a public defender for bond and mortgage owner after their commitment has been made. There is nothing more scandalous in financial history than some of the corporate reorganizations that have been made after default has occurred, and the holders of the bonds or mortgages have been obliged to step in to protect their own interests. The legal procedure in such instances halts very quickly. Creditors are scattered and disorganized. They sometimes even seem to toss a coin to determine with which reorganization committee they cast their lot. Too often in the past, corporate reorganizations have been more for the benefit of the common stockholders than of the senior creditors. There is a profound public interest here involved. It should be accepted as a public, rather than as a private responsibility.

SAVINGS ENEMY NO. 3

Those corporate managements, always representing the enterprisers or common stockholders of course, whose overwhelming compassion for their own situation leads them to pay themselves dangerously generous dividends in periods of prosperity.

We are now learning, to our great discomfiture, that this was too often the case in the period 1927-1930. Many maturities, many forthcoming interest payments, are in jeopardy today because of depleted treasuries. But the earlier level of common dividends took no account of the lean years to come. It left no cushion upon which to draw.

It seems to me that a corporation which has no mortgage or funded debt is entitled to virtually any kind of dividend policy that its managers deem wise or expedient. But the corporation which is employing the money of savers is in a quite different position. It must guarantee the integrity of its promises to these savers. It must build up a greater hunk of fat for the lean years which inevitably arrive—that is, it must do so if corporate enterprise in the future is to be able to attract the volume of savings that it has been able to attract in the past. I shall be both surprised and disappointed if the bitter experiences of the past two years do not force upon many corporate managements the necessity for a revised long-term common dividend policy.

SAVINGS ENEMY NO. 4

The viewpoint which condones a permanent debt.

This inimical viewpoint is common not only to railroad, utility and industrial corporations, but likewise to governments and municipalities. To date, it has been a fetish in the economic development of the New World.

We borrow and borrow and reborrow, all too often with no thought of paying back. The fact that a debt is funded seems to set it off as in a separate class from all other debts. Repayment is mainly by refunding—or not at all if refunding should happen to be impossible, due to a strained financial situation. During the depression of 1921, when you and we alike were in the throes of disorganization and distress following the 1919-1920 inflation, the late Thomas R. Marshall, then vice-president of the United States, made the caustic remark that what America needed was a return to the good old-fashioned five-cent cigar. With equal force it may now be pointed out that one thing public and private borrowers desperately need, if the sanctity of our savings structure is to be preserved, is a good old-fashioned dose of sinking funds—bigger and better sinking funds than we have ever dreamed of before, compulsory rather than optional ones, sinking funds that really sink, rather than those that merely float.

SAVINGS ENEMY NO. 5

The corporation which fails to regularly render to its creditors and equity partners an adequate balance sheet and income account, or which renders a deceptive financial statement.

Denied the regular receipt of such documents, the investor is utterly in the dark as to the margin of safety that is being maintained behind his commitment—entirely without means of self protection if the tide turns against him.

Organized security exchanges, investment bankers, commercial bankers and even individual investors can do a great deal to enforce greater adequacy and detail, more frequent appearance, and a greater degree of standardization in corporate financial statements.

SAVINGS ENEMY NO. 6

Haphazardly arranged maturity dates for funded debt. I am sure I have not the faintest idea as to what principles are brought into play when a maturity date for a bond issue is fixed. Such issues would seem to fall into two classes—short-term or long-term. Whether the long-term issues come due for payment in 1948, 1949, 1956 or 1957 does not seem to make much difference. Moreover, if Bond Issue Z is given a 1948 maturity, the fact that several hundred million of other people's maturities have got to be dealt with that same year does not seem to divert anyone from 1948's popularity.

An abnormally heavy load of maturities, falling within any given year, often puts a strain upon the capital market that is heavier than it can bear. Bigger and better sinking funds will, to some extent, cure this situation. Further alleviation will come through a scientific staggering of maturities over the long-term future.

SAVINGS ENEMY NO. 7

Governments, national or local, which in times of peace assume debts beyond their capacity to pay.

I make no reference whatsoever to the debts that were contracted during the Great War or as an inescapable aftermath of the Great War. Then it was a question of saving our democratic institutions at any cost—and whatever the cost may have been, or whatever the means of defraying it were, the price was not too great nor the means too flavored with expediency.

The reference here is solely to the spending proclivities of national and local governments in the exercise of their normal peace-time functions.

Our Earthly Paradise

The plain truth of the matter is that in many communities we have built up a public debt structure that is greater than our people can bear. The money has not been squandered. For the most part it has been used in furthering our progress toward earthly Paradise: for good roads, good school houses and good teachers, comfortable and inspiring public buildings, rapid transit, waterway improvements, sewage and other untility systems, agricultural relief, veteran's bonuses, and so on.

All of these things are good—up to a certain point. But there is such a thing as having too many of the good things too rapidly—more in volume than we can afford, faster than we can afford them.

SAVINGS ENEMY NO. 8

Changing commodity price levels. This enemy is so big, so powerful and so important that it deserves more attention and time than has been allotted to this entire address. It is so big that we need here do nothing more than name it, and to observe, in passing, that during this depression more serious attention than ever before has been given to banking and currency reforms which it is hoped may tend to roughly stabilize the level of general prices.

SAVINGS ENEMY NO. 9

Artificial barriers which tend to restrict the logical flow of goods and capital between contiguous peoples, and therefore to restrict their business enterprise.

Nothing strikes me as more grotesque than the query, seriously brought forward from time to time, as to whether our economy passed its zenith in 1929. As they say in the movies, we don't know the half of it. Bestowed upon us is a continent in whose breasts are locked resources rich beyond the wildest dreams; a continent inhabited by a people speaking for the most part the same language; an intelligent, industrious people, possessed of a high degree of development in mechanization and technology. Of course our great, complex economic mechanism creaks and rumbles as it rolls forward; sometimes it appears to have broken down almost entirely, but never quite so. With all its imperfections, its long term course can be in only one direction; toward greater progress and development. But economic progress has a direct relationship to the supply of capital. The continuous supply of capital has a direct relationship to the security that is promised for underlying savings. One way in which we will expedite economic progress and development is by safeguarding the savings structure to the fullest extent of our capabilities.

The Nation's Business

(Continued from page 1)

has much whiter pages than those that tell of the operations of either the British or American central banking institutions, dominated as they are by private bankers with international interests and politicians seeking votes.

* * *

THERE is apparently to be a currency and banking commission to study some of these problems. It will be useful as Parliament is ill-equipped to make such a study. If Canada can have a MacMillan Committee of its own, composed of the ablest economists, bankers, business men and treasury officials of the country, studies could be made that would throw more light upon these complex problems. It might aid in the next revision of the Bank Act and take away some of the haphazardly political character of the discussions in the commons banking committee where, paradoxically enough the most widely read among the members are not the best informed.

* * *

Parliament Wastes Time on Minor Probes

IT IS becoming the fashion for parliament to launch an investigation almost every time any one of the ten million people of this country makes a charge against a public man or a corporation.

There is much to be said for an inquisitive parliament, and there is a good deal of benefit, sometimes, to be obtained from a wise use of parliament's supreme authority to delve into secret recesses of personal or corporation business. But to use the machinery of parliament for purposes of "fishing," or of individual justification is wholly improper and not in the public interest.

* * *

SINCE the inception of the present session, one month ago, parliament has launched six enquiries. A seventh may be launched within the next fortnight. One of these already under way seems to fall within the category of undesirable investigations. It is the enquiry into the accuracy or otherwise of certain statements made by Hon. G. N. Gordon in a speech at Hamilton.

The point in regard to this incident is just this. Mr. Bennett has been a leading public man in Canada since the turn of the century. His personal honor, his integrity, have never been questioned. Mr. Bennett might well have ignored the scurrilous attack made upon him. If he proposes to set up a parliamentary committee every time a politician of the type of Mr. Gordon makes a charge against him, then parliament will have little time for activities other than the vindication of the prime minister's honor. Yet this is precisely what the prime minister has done. A parliamentary committee is now busy investigating the "Gordon charges."

* * *

THAT Mr Bennett set a bad example to the House of Commons is quite evident. Another motion calling for an investigation stands in the name of Michael Luchkovich, U. F. A., member for Vegreville. Mr. Luchkovich wants the Commons to authorize an enquiry into the Sun Life and the North American Life Assurance companies, and he cites as reason for an investigation the bald fact that "certain allegations" against these companies have been made by a certain propaganda publication. Obviously Mr. Luchkovitch does not intend to make any charges himself, intends only to act as the funnel for conveying statements made in a publication which no longer is regarded as an authority on finance, to parliament and the country at large.

It remains to be seen if the House of Commons will approve the motion and grant an investigation. If Mr. Luchkovitch wants the facts about these companies he can learn anything he wants to know by enquiring of the Superintendent of Insurance who is charged by parliament with overseeing insurance operations in Canada and who does his job exceedingly well.

The unfortunate feature of parliamentary investigations is that allegations, true or otherwise, made before them receive widespread publicity and damage is done that cannot possibly be offset by subsequent evidence of a contrary nature or even by a report of the investigating committee.

* * *

PARLIAMENT must inevitably investigate many matters. But it will impede parliament in its chief functions if it clutters up its order paper with numerous fulldress probes either into inconsequential matters or into matters that are already under the jurisdiction of competent officials of the government.

The gasoline probe is another example. There is a department of government existing for the purpose of investigating complaints of combination against the interests of the public. The parliamentary investigation into gasoline prices usurps the functions of that department and thus causes unnecessary expenditure of money.

* * *

Reforming Civil Service

THERE is much beating around the bush in the current discussion at Ottawa on the future of the Civil Service Commission, on civil service salaries and on the size of the civil service personnel. The clear implication of the statements that have been made by the prime minister is that he is determined to do two things:

1. To reduce the civil service to more reasonable proportions in the interests both of economy and efficiency;

2. To reorganize the Civil Service Commission in order that greater efficiency may be brought into the selection of persons to fill governmental posts.

No reasonable minded person can take the slightest objection to either of these objectives. The governmental service is overmanned and must be reduced. The system of appointments is not entirely unsound but it is badly administered. The revelation that junior clerks are a controlling factor in the appointment of important technical and administrative officials is evidence of that. The scandalous sale of pass marks in examination papers is further evidence.

Mr. Bennett has set himself a difficult task but he has the sympathy of business men. To that sympathy will be added the gratitude of taxpayers if the job is done effectively.

TWIN CITY COST DROPS QUICKLY, IS SIGNIFICANT

(Continued from page 1)

penditures for roadbed and rails to accommodate the larger cars demanded by the travelling public make it difficult for companies to manage on old rate levels. The accelerating trend to motor cars and buses and the slowness with which municipalities recognized the justice of pleas for higher fares also were against these companies. But since 1929 there has come another sharp price decline, and the measures taken by Twin City are being closely watched to see if there is not yet a chance for street railway companies that are privately owned to come back in the years immediately ahead into more profitable operation.

Closing Out Suburban Lines

Apparently the lines followed by Twin City to improve its position consist of increasing the operation of one-man cars, increasing speed schedules to 10.88 miles an hour, reducing wages and salaries in proportion to revenues, and the reduction of maintenance and rebuilding costs. Starting in 1927, Twin City has now 68 one-man cars in operation in spite of civic opposition and intends to build 100 of these cars each year for the next three years. The company has had its taxes reduced materially, it has asked the Minnesota Railroad and Warehouse Commission for the right to abandon five unprofitable suburban lines with a mileage exceeding 28 miles. Seven other lines 22 miles long will be continued. The decline in gross revenue of suburban lines has been so great that there was a net loss on this traffic alone of $262,044.

By these various measures, including the cessation of common dividends until revenue picks up, the company changed during 1931 a working capital deficit of $167,360 to a working capital surplus of $1,713,861 with cash very strong at $1,849,771.

In 1932 and still more in following years when business is reviving, the trend will be carefully watched by investors, by municipalities and by managements. Several public utility experts expect the long downward trend in street railway traffic to be arrested not only in Minneapolis and St. Paul but elsewhere. It is in such a period of increase, if it comes, that the common stock of the company would have its best opportunity. Economies effected now may be much more effective then.

Speed and comfort are the two ideals aimed at in order to compete with the private automobile. Buses are increasing for that reason, although in most cities operations so far are at a loss. Twin City has now the highest average speed per mile but no system has yet been able on this continent to give every passenger a seat during rush hours.

OTTAWA MAY TAX PUBLIC OWNERSHIP IN POWER INDUSTRY

(Continued from page 1)

wan, Manitoba, Ontario, New Brunswick and Nova Scotia.

The municipalities with their own systems, of course, are far more numerous. Toronto, Ottawa, Calgary, Winnipeg, Hamilton, and several score others have their own systems. In Winnipeg and Ottawa, private and public-ownership are in direct competition.

Would Affect Hydro

Imposition of a Dominion tax on the publicly-owned power systems would be felt by the Ontario Hydro Electric Power Commission. This is the largest system of its type in Canada, and supplies the greater part of Ontario with power and electricity.

Most of the publicly-owned organizations have been providing a service that, in the main, does not return an adequate compensation for the investment involved. Deficits have usually been made up by direct taxation, while capital expenditures come out of the general funds. What little profit is being made would be affected by the imposition of an income tax and it is possible that rates might be adjusted to take care of the additional charge.

With taxation the publicly-owned systems would not be able to make the same showing as they now do and in order to improve their position, an increase in rates would not altogether be out of consideration.

On Fairer Basis

With a tax placed on these systems, the privately-owned companies would be placed on a fairer comparative basis. This is important to the privately-owned companies as it would permit a fairer comparison of the relative merits of the two methods of operations.

A tax on the publicly-owned systems by the Dominion Government opens up a wide field of speculation.

Room for Speculation

It is a known fact that few municipalities in the Dominion are not in need of additional revenue. If the Dominion starts the ball rolling by taxing these publicly-owned organizations, there is the likelihood that every municipality concerned will start thinking along the same lines.

To increase the rate on the present forms of taxation would not rest lightly with the taxpayers. But if the governments decide to tax the publicly-owned power systems they may receive a large income, while at the same time the added charge would be widely distributed and not so noticeable a burden as would be the case if a direct form of taxation was used.

NEW EMPIRE CURRENCY MIGHT FAIL TO WORK

(Continued from page 1)

brink since early in 1929, finally slid to a substantial discount last September and is now at a discount of some 12 per cent below its gold par. The English pound stands at a discount of nearly 30 per cent below gold par, and the New Zealand exchange stands at a discount of 10 per cent below the English pound. Australia's exchange is at present stabilized at a discount of 30 per cent below the English pound. Thus the currencies of the Empire, starting out from gold parity in 1929, have achieved a remarkable amount of disparity in their exchange rates in three years' time.

This survey of recent fluctuations makes one sceptical of the success of any scheme of Imperial exchange rate stability. Nevertheless, from the point of view of most of the countries of the Empire, it is probably more desirable to attempt to be in the sterling group rather than the gold group.

The case of Canada, however, needs special consideration because we have so many financial and commercial ties with the United States, which will, presumably, stay in the gold group. Many financiers and industrialists in this country find that a fluctuating dollar exchange harms their business; and taxpayers will feel the burden of government and municipal debts increased to the extent that these are payable in American funds on which a premium arises. This is not necessarily a final argument against attempting to join in an Empire currency group, but it is a strong one.

The other conception of an Empire currency is quite different from the one which we have been discussing. It is sometimes suggested that the countries of the Empire should join in adopting a silver or a bimetallic standard. Any student of the history of bimetallism during the nineteenth century will realize the difficulties involved in maintaining such a standard. These arise from the fact that a truly bimetallic country contracts to buy and sell both precious metals at fixed prices, and when the market value of one of them, say silver, rises the country's reserves of silver are withdrawn and sold elsewhere at a profit. The country thus slips back on to a monometallic standard, in this case gold. For one country, or even for a limited group of countries, permanent bimetallism is thus impossible.

The Empire could, if it so desired, attempt to maintain a silver standard. All the Imperial countries could try to maintain their currencies fixed in terms of silver and thus in terms of each other. It is difficult to see why they should be much more successful in this attempt than they have recently been in their efforts to maintain their currencies fixed in terms of gold.

It is argued in favor of silver that there is, or will be, a shortage of gold. This argument is usually based upon a report of the League of Nations Gold Delegation. But that delegation made it clear that the "shortage" was relative to two other factors. If the level of prices fell, less gold would be required to support a given amount of currency and credit and a given amount of trade. And prices have fallen heavily since their report. Secondly, the shortage was relative to the number of countries which remained on the gold standard and the gold reserves which their laws required. Thus, if countries scale down their legal gold requirements (which Germany has done and the United States is doing in a roundabout way by the Glass-Steagall bill) or if countries go off and stay off the gold standard, the "shortage" is offset, and may even become a surplus.

It is also said that if some countries adopt a silver standard, silver will rise in price, and trade with the Orient will be stimulated by the increased purchasing power of the silver using and silver hoarding countries. That such countries only absorb a tiny portion of world trade escapes the notice of those who use this argument. So also does the fact that, since these countries are importers of silver, a rise in its price might quite possibly decrease rather than increase their demand for other imports for which they have to pay for their exports. It is difficult to know, on the basis of such small and uncertain gains, why we should be asked to tie up our currency systems to a white metal when a yellow one has already proved to be such an unstable basis or why we should be asked, as at least one Canadian authority has asked us, to wear out our trouser pockets by carrying silver coins instead of dollar bills.

If the Imperial Conference considers the problems of Empire currency it seems unlikely that silver or bimetallism will take up much of their time. On the other hand, if England sees fit to remain off the gold standard permanently and to manage her credit and currency with the object of maintaining general stability of prices, then it is likely that many countries, in the Empire and outside it, will attempt to keep their exchange rates constant with the pound sterling. There are, however, special reasons which have been mentioned why Canada is likely to hesitate before throwing in her lot with the sterling group.

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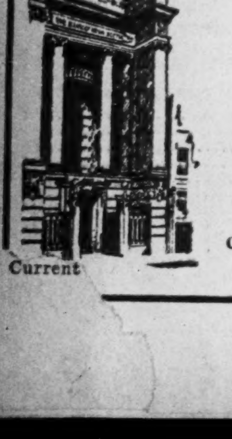

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Mr. DONALD MACLEOD

is withdrawing from partnership in this firm, as of February 29th, 1932.

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DOMINION STORES SHARES EARNED $1.85 DURING 1931

Sales Volume Exceeded Previous Year; Added 42 New Stores

Dominion Stores Ltd. had gross sales of $25,200,149 in 1931, as compared with $24,118,586 in 1930; increased total earnings to $779,029 from $743,966 and after larger appropriation for taxes and depreciation, and shows net profit of $522,630 as compared with $530,809 in 1930. Earnings per share on the 282,382 shares of no par value common stock outstanding at December 31, 1931, amounted to $1.85 as against $1.91 per share shown on 277,715 shares outstanding at the end of 1930. Additional income tax applicable on 1930 operations, but deducted from surplus account during 1931, would have reduced 1930 earnings to $1.87 per share.

Increase in gross sales was the result of expansion in number of stores operated, which numbered 552 at the end of 1931 as compared with 510 at the end of 1930. The retail price level declined by some 15 per cent in 1931 and on the basis of 1930 commodity prices the 1931 dollar volume of sales would have been decidedly larger. Physical volume of business handled gained on the 1930 volume.

Bonds Written Down

During 1931 dividends were paid at the rate of $1.20 per share together with an extra of 30 cents per share which was taken out of surplus. Both payments were made in United States funds and premiums on the United States dollar cost the company $47,572. The extra dividend was, a partial reimbursement for moneys raised from shareholders in 1929 and never used. Revaluation of bonds held to a basis of market values as at December 31, 1931, resulted in a write-off of $102,957 taken from surplus. Details of the income and surplus account for 1931 and 1930 are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Gross sales	25,200,149	24,118,586
Less: Oper. cost‡	24,569,182	23,517,323
Net earn. from oper.	630,967	601,263
Add other income:		
Interest earned	80,638	77,060
Discount saved	67,424	65,643
Total earnings	779,029	743,966
Less:		
Prov. for inc. tax.	58,000	46,000
Depreciation	198,399	167,157
Net profits	522,630	530,809
Common divds.	334,811	329,990
Stock divd.	......	5,446
Extra divd.	84,602	......
U. S. exch. on divd.	47,572	......
Res. for fire losses	7,741	......
Surplus for year	55,645	195,373
Revaluation of bonds	102,957	......
Add: Prev. surplus	1,267,003	1,071,149
Adj. of taxes	......	481
Less: Adj. tax, 1930.	10,901	......
Bal. carried forward.	1,201,049	1,267,003

‡Operating cost including merchandise, selling and administrative expenses.

The balance sheet shows increase in current assets to $4,024,642 from $3,786,373 shown in 1930; an increase in current liabilities to $1,450,098 from $1,131,147 and a drop in ratio of current assets to current liabilities to 2.77 to 1 from 7 3.35 to 1.

Provide High Premium

For the first time since 1924 the company shows a bank loan which amounts to $265,000, incurred in New York for the purpose of paying dividends in United States funds on the supposition that high exchange rates prevailing would show later reduction.

MOIRS EARNINGS FAILED TO COVER INTEREST NEEDS

Sharp Decline in Profits Features Report for Past Year

From Our Own Correspondent

MONTREAL. — Net earnings of Moirs, Ltd., in 1931 were sharply lower and though the sum of $24,154 was transferred from contingency reserve to income the company failed to cover its bond interest charges. Including the sum transferred from contingency reserve income for the year was $27,366, compared with $296,567 in the previous year. Bond interest amounted to $97,736 and after provision for depreciation on automobiles and trucks only, and an inventory write-off, there was a deficit of $113,052. This compared with a net profit and surplus in 1930 of $78,836.

It is pointed out that sales were off about 25 per cent during the year. The effects of business conditions were felt by the company in April, 1931, and continued throughout the remainder of the year. No depreciation was provided for buildings, machinery and equipment in 1931.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931 $	1930 $
Net earnings (a)	27,366	296,567
Less:		
Bond interest	97,736	84,207
Depreciation	20,682	133,524
Inventory w/o	22,000	......
Net profit	*113,052	78,836
Add prev. surp.	†297,220	221,072
Balance forward	184,168	299,908

(a) After expenses, taxes, bad debts and transference of $24,154 from contingency reserve. * Deficit. † Adjusted.

Working capital at the end of the year was $952,795 compared with $964,725 at the end of 1930. Current assets were $1,491,046 against current liabilities of $538,251. Cash shows little change at $7,925 and accounts receivable are down $92,000 at $484,710. Inventories, which directors consider have been written down to a point which covers possible future depreciation in values, are carried at $997,568, a decline of $21,000. Advances on logging operations and the company's investments are virtually unchanged. Fixed assets are up $180,000 at $2,987,532.

In liabilities, bank overdraft is lower by $84,000 at $417,646 and accounts payable at $62,173 show a decline of about $12,000. Accrued charges are lower by $3,000 at $58,432 and depreciation reserve has been reduced by $27,000 to $624,339. Reflecting its transference to profit and loss, a contingency account of $24,154 has been eliminated from the balance sheet.

An additional issue of $288,000, 6½ per cent first mortgage bonds was made in 1931 and funded debt now comprises $1,553,000. Further, the number of common shares outstanding has been increased by 105 to 15,351. These are carried at $10 a share.

In his remarks to shareholders, C. E. Smith, president of the company, points out that a three-story addition to the Bedford chocolate plant was completed last year. A new power house and electric generating station at Bedford is in course of erection and will be completed shortly. No further capital expenditure is contemplated.

Sees Another Side To Vet Land Scheme

John Barnett, Former Chairman Settlement Board, Thinks Money Spent by Canada Was Well Invested

Recently in this series of articles setting down some of the reasons why taxation has risen to such alarming heights in Canada, the financial record of the Soldiers' Land Settlement Scheme was given. It was shown that the scheme has cost $54,000,000 to date; that losses, amounting to not far short of $1,000,000 a year are **continuing, and that thirteen years after the scheme started, 40 per cent of the settlers have failed.**

In the opinion of John Barnett, of Regina, who from 1920 to 1927 was chairman of the Soldiers' Settlement Board, there is another side to the story. The scheme served a useful purpose, he thinks, in easing the change over from military to civilian life for some thousands of men and apparently he feels that the cost of the work should be charged up to unavoidable demobilization expense. The Financial Post is glad to present Mr. Barnett's viewpoint. Necessarily shortened somewhat to fit the space that can be allotted, Mr. Barnett's statement is as follows:

SOLDIER LAND SETTLEMENT—ANOTHER ASPECT

By John Barnett

As early as 1917 public men in Canada as well as in all other war-disrupted countries realized that when the end finally came they would be confronted with a colossal task to re-establish in civil life the huge armies in the field.

Consequently, not Canada alone but all British countries—Britain, Australia, New Zealand, as well as many others—turned to land settlement schemes as one of the means of re-establishment.

The war collapsed suddenly in November, 1918, and the re-establishment of more than half a million men with nearly two million dependents among a total population of around nine million, became a necessity and not a theory. The original act of 1917 was inadequate for lack of land, and a new act was passed in the winter session of 1919.

Many "Other Ways" Were Tried

It is easy now to argue that "it would have been better if Parliament had chosen other ways," but it is just as difficult now to find any other ways that were not chosen. Gratuities, vocational training, employment services and preferences, industrial aids, as well as land settlement, were all tried, but the absorption of 500,000 men with from 1,000,000 to 2,000,000 dependents in a population such as ours and in the course of comparatively few months was a task to try the capacity of the best brains.

The general situation was such that no leisurely handling was possible. Except for a few officers, remaining in uniform had no attractions for anyone. The ordinary soldier, the P. B. I., had been drawing $1 a day with no perqs., and facing death almost daily. He knew that fortunes had been made and doubled by those at home out of munitions, arms and food-stuffs. The wages of the worker at home, the miner and the industrialist, had been from five to ten times his pittance. The temper of all soldiers overseas was frayed and disquieted, as the Rhyl riots are self-evident proofs.

Settlement as a Plan of Dispersal

These facts made speedy and dispersed re-establishment a matter of real urgency. Hundreds of thousands of these men had no trade, calling, profession or job to which to return. Many were unable, by reason of age, education or inclination, to gain anything from the vocational courses. Few men could, or did come through two, three or four years of shell-fire, bombs and poison gas, with nerves sound and equilibrium and capacity properly in balance.

With many men, a long period of re-adjustment was essential. Continued camp or congested city life was not a safe method, either for the state or the individual, in many of these cases.

The land settlement scheme afforded a method of wise dispersal, with a calm, healthy, individual field of action for the recovery of that balance and judgment which was essential to normal civilian life.

That is precisely the greatest contribution as a reconstruction measure which was made by soldier settlement. Among the 11,000 so-called failures are thousands of men who are today occupying good and influential positions in business, in commerce, and in the trades and professions of Canada. Their two, three, or four years on the land re-established them in normalcy, in sanity or judgment, and in capacity. They quit the land, and properly so, for something better. Canada gained immeasurably by their land settlement venture, no matter what the financial loss may have been on the farms they took up.

Compares Well With Immigration

It is not only impossible but foolish to attempt to weigh the value of soldier settlement as a reconstruction measure by numbering those who failed to remain on the land. The value of soldier settlement to Canada can never be determined, because no one knows what might have resulted if this outlet had not been provided for these 31,000 men and their dependents.

So far as permanent land settlement is concerned, in acres of land broken, in new districts opened up, in permanent homes established, in increased wealth produced, and in the contribution to internal trade and commerce, the accomplishment of soldier settlement will stand favorable comparison with the aggregate of all other immigration and colonization activities in the same period of time, which other activities will, if an exact record of the cost could be obtained, amount to quite as much as the losses on soldier settlement.

Criticisms From Business Standpoint

From a business standpoint, many criticisms can justifiably be levelled at the soldier settlement enterprise. The most serious of these is that it was not only unwise but unfair to expect that any substantial percentage of the soldier settlers who went on the land could succeed under the conditions they necessarily had to face.

The individual or corporation operating wholly or almost wholly on borrowed money on which interest must be paid, and carrying on an enterprise in which he has no personal investment, can only achieve success if he himself possesses exceptional capacity, or meets with exceptional luck. Economic conditions of the past two years have demonstrated this only too clearly, but it was nevertheless a basic principle that should have been recognized when the soldier settlement scheme was formulated.

The average soldier settler had for one or more years been leading a strained, unnatural and ultra hazardous life. By virtue of this, he **was necessarily below rather than above the average citizen in capacity to manage a farm. He had no money of his own, in most cases, to put into the venture.**

Could Not Have Paid Its Own Way

As already pointed out, the state gained very largely by the mere dispersal of these men, many of whom had no calling or occupation, and nothing in sight, while many more classed as unwounded had nevertheless lost their mental poise and could only recover themselves by some such life as that on a farm. The state at the outset should have recognized that soldier settlement was the outlet by which the most difficult of all the reconstruction problems could be handled, and it should not have been expected that any scheme for handling these could in any degree pay its own way. The necessity of giving to each settler the impetus and stability that can only come from having an equity of his own in the enterprise should have been recognized from the outset. It should also have been recognized that such an equity had to be provided by the state for whom these men had given such faithful service at so great hazards and loss to themselves. Such an equity need not have been immediately, except so far as computation of interest is concerned, and could have been based on payments made or on years of residence on the land. It is easier however to recognize this weakness now than it was at the beginning, or in the early days of the settlement. The problem still remains however so far as many of those are concerned who are still attempting to carry on on the land, and this aspect still gives rise to criticism which is legitimate at this time, as it is unreasonable to expect any general success under existing economic conditions from the man who has no equity of his own in his undertaking.

Compares Canada's Record With Others

All fair criticism from a business administrative viewpoint must however be based on the results accomplished by the Canadian scheme in comparison with the attainments reached by similar schemes in other countries. On this basis, it will be found that Canadian soldier settlement has had more success, fewer failures, and much lower dollar loss than any other country has had. On this basis, "the legislators of that day" and the officials who have been, and who still are, carrying on are deserving of some slight modicum of credit.

The statement that municipalities have been forced into insolvency contains the merest fragment of truth. There are only a very limited number of municipalities in the whole of Canada where soldier settlement represented more than ten per cent of the resident ratepayers. In the great majority of municipalities, less than five per cent of taxable property was occupied by these settlers. It is true that in odd, scattered municipalities—a dozen or so in each of the western provinces—and an odd school district in the east, soldier settlement lands have created a problem. Not all soldier settlers have been delinquent taxpayers, and it is absurd to argue that, even if five per cent of the taxable property presented difficulties in tax collections, such a situation pushed the municipality into insolvency.

INCREASE SHOWN IN TOTAL INCOME OF CANADA IRON

Revenue from Investments Reveals Substantial Gain in 1931

From Our Own Correspondent

MONTREAL. — Total income of Canada Iron Foundries, Ltd., in 1931, at $661,707 showed an increase of $103,781 over the previous period, due to the fact that a relatively small decline in operating income was more than offset by a sharp increase in revenue from investments. **After all charges, earnings on the common stock were equal to $6.59 a share compared with $6.06 a share in the previous year.**

Operating income in 1931 was down $50,000 at $345,448. Other income, however, was up $153,643 at $316,259, making a total net revenue for the year of $661,707 compared with $557,926 in 1930. After all charges, including a distribution of 3 per cent on the common stock, surplus account was increased by $154,273 to $352,760.

Profit and Loss

Following is a comparison of profit and loss figures for the past three years:

	1931 $	1930 $	1929 $
Oper. income	345,448	395,310	485,570
Other income	316,259	162,616	137,737
Total inc.	661,707	557,926	623,308
Deprec.	195,059	195,059	195,059
Interest	27,300	28,800	30,360
Maintenance	4,440	4,584	4,710
Dividends	280,635	280,685	280,635
Surplus	154,273	48,848	112,543
Prev. surp.	198,487	149,638	37,095
P. & L. bal.	352,760	198,486	149,638

Investments Sharply Higher

A feature of the balance sheet is the increase in investments in affiliated companies, which stands at $3,002,646 compared with $2,174,667. This reflects acquisition of a substantial interest in the Pressure Pipe Co. of Canada, Ltd., which will manufacture high-pressure reinforced concrete pipe under Bonna patents.

Working capital at the end of 1931 amounted to $1,469,039 comprising current assets of $1,845,056 compared with current liabilities of $376,017. Net cash assets at the end of 1930 amounted to $1,682,047.

Remarks to Shareholders

In his remarks to shareholders, C. L. Jobb, president of the company, said, in part, as follows:

"A considerable volume of unfilled orders was carried over from 1930 and returns on operations for the first half of the year under review were fairly satisfactory. During the last six months, however, your company experienced a decided falling off in business. This resulted in a lower net foundry earning than for the previous year. However, economies that have been effected, resulting in increased efficiency in the various departments, reduction in overheads and satisfactory returns on investments have enabled your company, notwithstanding the lower tonnage and reduced selling prices, to submit a statement showing net results which your directors feel have been satisfactory in view of general conditions prevailing during the period."

WEST. GROCERS EARNINGS DOWN LOANS RETIRED

Earned $6.54 Per Share on Preferred Paid $7; Liquid Position Good

Western Grocers Ltd. reports net operating income of $121,671 in the year ended December 31, 1931, as compared with $133,777 in 1930, after payment of operating expenses, interest on bank loans and provision for bad and doubtful accounts. After deductions for depreciation and reserve for taxes, approximately the same as in 1930, the company had net profit of $78,203 in 1931 against $90,014 in 1930 or slightly under dividend payments made on the 7 per cent $100 par **value preferred stock which earned $6.54 per share against $7.54 per share in 1930.**

While earnings showed some drop due to continuous decline of commodity prices and sales volume in dollars was also down, the physical volume showed increase over 1930 tonnage. The company improved its liquid position by bringing inventories and accounts receivable down materially and paying off bank loans amounting to $811,100. Decreased investment in inventory and book accounts is expected to aid the company during 1932. The Red & White chain of retail outlets which handles the company's products is stated to have shown growth during the year.

The income and surplus account of the company for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings†	121,671	133,777
Less: Depr. on equip.	14,473	14,189
Deprec. on buildings	21,640	21,574
Res. for taxes	7,355	8,000
Net profits	78,203	90,014
Less appropriations:		
Preference divds.	83,601	83,601
Surplus for year	*5,398	6,413
Add: Prev. surplus	378,307	371,799
Inc. tax refund	......	95
Bal. carried for'd.	372,909	378,307

†After deducting all operating expenses, interest paid on bank and mortgage loans, and making provision for bad and doubtful accounts.
*Debit

Liquid Position Improves

The liquid position of the company shows substantial improvement although working capital is slightly lower at $1,578,322. Current assets at $2,033,379 are $813,827 lower than in 1930 due chiefly to reduction in inventories and accounts receivable, the reduction having been applied to wiping out bank loans of $811,100 shown at the end of 1930. As a result current liabilities have been reduced by $807,656 to $455,057.

IRON AND STEEL MAKE SLOW START

Iron and steel operations in Canada started 1932 at a low ebb with January pig iron production of 10,300 tons which compares with 13,862 tons in December and 35,592 tons in January a year ago. Little hope is entertained for improvement in either construction or railroad buying for some months to come so that interest centres on prospects for the automobile industry which in turn hinges at the moment on the future plans of Ford.

Steel casting and ingot production made a considerably better showing than pig iron primary production, however, the January output being 25,060 tons, a gain of 20 per cent over the December figure. A year ago steel production was 57,598 tons in January.

Reports from Sydney, N.S., state that operations at the company's steel plant are still very quiet and that there is little likelihood of much activity until the wage question at the mines is settled. As reported in The Financial Post last week, operations at the Algoma plants at the Sault have started in a small way with some 700 men employed at the merchant mill.

C. & E. Corp. Frame Plan Turner Valley Merger

Over 50 Per Cent of Producers in Field Approve of Merger Plan to Conserve Gas

The proposed merger of the main producing area in Turner Valley, Alberta as exclusively announced in The Financial Post on December 12, was outlined recently in Calgary by Col. H. F. Osler, president of the Calgary & Edmonton Corp., one of the principal leaseholders in the field.

Over 50 per cent of the production from the field is represented by the companies proposing to enter the merger and included are the Sterling Pacific, Canadian Pacific Railway—large lease owners — Securities Assets, Dictator Oils, Hudson Bay Co., Calgary & Edmonton Corp. and the subsidiaries of the Imperial Oil. Other companies are considering joining the agreement to merge their holdings.

The plan aims at readjusting the production of the gas and the resulting naphtha production taken from the field more in line with consumptive requirements that will permit all producing companies to share in the sale of gas now held under exclusive franchise by the Imperial Oil and thereby extend the life of the field.

The plan announced by Col. Osler provides for limiting the pooled area to 10,000 acres from the Foothills and Model holdings, in the north, to the Merland and Marjohn properties in the south. Merged companies will be directed by a board of five. It is also proposed to purchase the scrubbing plant of the Royalite Co. together with the pipe lines serving the fields.

Gas rates are to be increased, as recommended by the Fisher report, an additional four cents per thousand cu. ft.

"Briefly, the plan proposed by the C. and E. Corporation contains the following features:—

"1. Limit the pooled area to that portion of Turner Valley lying south of a line drawn through the middle line of section 26, township 20, range 3, west 5th, and included in the area mapped as 'Benton shale' on the most recently published map of the Dominion Geological Survey.

"2. Form a corporation to operate the field, to be in the hands of a board of five directors, two elected by those referred to in the Fisher agreement as "Independents," two by Imperial Oil, and those companies associated with the Imperial Oil Co., and one by the royalty interests; the board to appoint a general manager who would be responsible to them for the entire management of the field.

"3. Purchase by such corporation of the Royalite scrubbing plant and gas gathering lines, paying for same out of gas revenues.

"4. Acquire Royalite contracts to sell gas to the Calgary Gas Co. and Imperial Oil refinery on a royalty basis.

"5. Take 10 per cent of the production of the field, 5 per cent of which will be used as a bonus for land surrounding isolated wells, and 5 per cent for undeveloped acreage.

"6. After deducting the cost of operation, provide a reserve for contingencies and further drilling when such may appear advisable.

"7. Control of naphtha sales, including those falling within the category of direct sales, but leave to the operator the right to specify to what refinery his portion of the naphtha shall be sold.

"8. Obtain from the royalty interests a contribution toward the cost of purchasing the scrubbing plant and gas gathering lines, such contribution to be based on their proportionate royalty interest in gas.

"9. To provide for appeal to the Public Utility Board by any party who feels that his interest has been adversely affected by any decision of the board of directors.

Cost Divided

"10. To provide for the separation of gas and naphtha earnings, and to charge to each their legitimate portion of the operating cost.

"11. To obtain an additional 4c per thousand cubic feet for gas sold from the field to remunerate the operators for curtailment of revenue by reason of their adoption of voluntary conservation methods.

"12. The basis of participation of the various companies shall be as follows:

"For naphtha:

(a) The basic participation will be based on naphtha production tests to be made on each individual well under the direction of the supervisory engineer of the Alberta department of mines. It is suggested that these tests should be taken over a period of ten days or longer if necessary to determine on a comparable basis the actual average potential daily production of each well. At the same time, the naphtha tests are being made, closed-in pressure and delivery volumes against a uniform back pressure of 500 lbs. will also be taken.

"(b) The daily naphtha capacity of each well will be multiplied by the closed-in pressure less 400 lbs. to get a factor which will represent the relative basic participation of the various wells.

"(c) Ten per cent of the basic participation of all wells as outlined above shall be available to distribute to: (a) undrilled acreage, (b) isolated wells, as follows: basis pro rata among such lease holders or owners entitled to this participation.

"(b) Isolated wells — Limestone wells situated 1,320 feet or more from any other well producing from same formation shall receive an additional participation on account of its isolation. Five per cent participation in the field shall be available for this purpose, and shall be distributed equally among the ten or more wells which come under this category. The participation attributable to each of the foregoing wells shall be divided among the property holders in proportion to their relative holdings within an area of a circle having the well for the centre of the radius of 1,320 feet.

"For Gas:—

(d) The participation of the various interests in the gas to be obtained from the field shall be determined, in general, in the same manner as outlined for naphtha, except that the delivery volume (either calculated or directly determined) at a uniform back pressure of 500 lbs. shall be used in place of the daily naphtha production. This amount in terms of millions of feet and/or fraction thereof shall be multiplied by the closed-in pressure less 400 lbs. to get the basic participation of each well. Ten per cent of the basic participation shall be divided among isolated wells and undeveloped acreage on the same basis as outlined in naphtha distribution.

"If at any future time the gas controlled by the company is processed in an absorption or similar plant for the extraction of naphtha, it is understood that the division of profits from such operation shall be based on the gas participation of the different operators rather than on the naphtha participation.

"It has not been possible to interview many of the parties affected by our scheme, but it is our intention to ask all those interested to give their earnest consideration to our plan, in the hope that the problem of conservation can be solved by private agreement on a basis of fairness to all concerned.

"Up to the present we have obtained approval of our proposals from operators representing more than 50 per cent of the naphtha production in Turner Valley, and we expect that this number will shortly be considerably increased. The oil and gas industry in the past has played an important part in the life of the Province of Alberta, and should take even a greater place in the future, providing this problem of conservation is faced in a spirit of frankness and co-operation by all those concerned with the welfare of the industry."

BUILDING AWARDS SHOW SMALL GAIN

Construction contracts awarded in Canada in February amounted to $14,802,600 as compared with $12,738,300 in January and $25,930,000 in February, 1931, according to figures compiled by MacLean Building Reports, Ltd. The increase for the month is traceable to the fact that numerous engineering contracts ranging in value from $250,000 to $600,000 were announced during the month. The highest award in the month was for an addition to a pumping station at Montreal valued at $580,000.

Nearly 48 per cent of all the February awards were for Quebec province while of the total, 56 per cent were for engineering purposes.

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Utilities and Transportation

MONTREAL TRAM RECORDS SURPLUS DURING PAST YEAR

May Have to Draw Upon Reserves if Conditions Do Not Improve

From Our Own Correspondent

MONTREAL.—Gross receipts of the Montreal Tramways Co. in 1931 totalled $14,574,918 and after the payment of all expenses, including dividends, there remained a surplus of $7,918, according to the annual report of the Montreal Tramways Commission. This represents only a small decline from that reported in the preceding year, but the Commission points out that this result can only be attained by the amendment to the Budget in October, which permitted the closing of the financial year without touching existing accumulated reserves. Should the present conditions continue, the Commission goes on to say, these reserves shall have to be drawn upon in order to maintain the present fare and pay the city rental.

During the past year the company carried 232,141,103 revenue passengers for a distance of 33,325,119 car miles. Tramway passengers numbered 211,458,523 and car miles 27,759,325, while autobus passengers numbered 20,682,580 and bus miles 5,565,794. The decrease in the number of passengers was 5.32 per cent, compared with 1930. According to general statistics, the average decline in other Canadian cities was 8.37 per cent and in the United States 9.76 per cent.

The report reveals that the average fare for 1931 was 6.035 cents. It has varied slightly since 1921, while in American cities of over 50,000 population the average fare has increased from 7.18 to 7.83 cents. This latter fare is actually 30 per cent higher than the Montreal fare. When the amount paid to the City of Montreal—.45 cents— is deducted from the average fare, the actual per capita cost of transportation in Montreal comes to 5.49 cents.

Distribution of Fare

The report analyses distribution of the Montreal fare of 6.035 cents as follows:

Salaries	2.75
Material	1.09
Interest on bonds	1.18
Dividends	31
Maintenance fund	.02
City of Montreal	.54
Financing	.08
Taxes	.09
Tolls Deduction Fund	.00

At the time of the agreement with the city, the original capital value of the company's property was $36,286,295. Betwen that time and the end of 1930, capital additions totalled $17,461,918. During the past year capital expenditures totalled $983,629, making a total capital value to date of $54,731,842. From this figure should be deducted $43,557, representing capital assets discarded, making a net capital value on December 31, 1931, of $54,688,285.

In view of the great interest now evinced in bus operations, operating results of the Montreal Tramway Co. are of particular importance. In the last half of 1925, when the company started to operate buses, 1,026,630 passengers were carried 287,694 bus miles. There has been a steady increase every year since then and in 1931 a record of 20,682,580 passengers for 5,565,794 bus miles was established.

Despite the rapid increase in bus operations, deficits have been recorded in four out of the six full years operation, after providing for fixed charges. In 1931 gross receipts amounted to $1,448,117, against which was deducted operating, maintenance and renewal expenses of $1,398,717 and fixed charges of $114,096, making a deficit of $64,695.

Following is a summary of autobus statistics of Montreal Tramways Co. for 1931:

Number of buses	155
Total length of bus route	114.68
Revenue bus-miles	5,565,794
Average miles per bus	35,678
Revenue passengers	20,682,580
Pass'gers carrying transfers	9,658,129
Bus-hours	544,062
Operating ratio	96.59 %
Earnings per bus-mile	26.02 cts.
Expenses per bus-mile	27.18 cts.
Earnings per bus-mile	$2.66
Expenses per bus-mile	$2.78
Earn. per revenue passenger	7.00 cts.
Exp. per revenue passenger	7.31 cts.
Revenue passenger per bus-mile	3.72

Saskatchewan Broadcasts Teaching

The Saskatchewan Government Correspondence Schools are using the radio for teaching English, History, Science, Latin, French and German to students in Grades IX and X. The broadcast is from 6 to 6.30 p.m. daily, except Saturdays and Sundays, and the programme will continue until April 29.

Dominion Coal Active in January

From Our Own Correspondent

MONTREAL. — Output of the three collieries of the Dominion Coal Co. at Springhill for January totalled 48,921 tons. This was an increase of approximately 1,000 tons over that of the preceding month but lower than the corresponding January last year by approximately 3,500 tons. The collieries worked 19½ days during the month.

Prospects for February do not look too bright at present as there is an indication of some decrease in railway orders. The general outlook for the company, however, has undergone improvement as a result of the findings of the Duncan coal commission, whose recommendations were, in the main, favorable toward the company.

NEW BRUNSWICK 'PHONE REVENUE DOWN LAST YEAR

Share Earnings 63 Cents Compared to 74 Cents in 1930

From Our Own Correspondent

MONTREAL. — New Brunswick Telephone Co. reports earnings of 63 cents a share in 1931 as compared with 74 cents a share in the preceding year. This reflects the decline in business throughout the area served, a characteristic of telephone operations in other parts of the Dominion.

Gross revenue during the past year totalled $1,477,876 and operating expenses $1,144,028, leaving a net revenue of $333,848. During the preceding year, gross income totalled $1,551,420; after the payment of operating expenses and taking into consideration other income, there remained a net profit of $391,189. There was an increase in dividend charges last year, which made for a deficit of $89,023, as against a deficit of $339 in 1930.

Show Another Deficit

Details of the profit and loss accounts for the past two years follow:

	1931 $	1930 $
Gross revenue	1,477,876	1,551,420
Less: Expenses	1,144,028	1,168,011
Net revenue	333,848	383,409
Add: Other income	......	7,780
Net profit	333,848	391,189
Less: Dividends	422,871	391,528
Surplus	*89,023	*339
Add: Prev. surplus	152,881	153,220
Less: 1930 tax adjust.	2,189	......
Balance forward	61,669	152,881

*Deficit.

Additions to Plant

The balance sheet as at December 31 last, shows an expansion of assets due to an increase in the investment in buildings and plants, which expenditure has not been capitalized, and makes for a weakening in the working capital position of the company.

Total assets at the end of 1931 amounted to $7,267,740, compared to $6,851,358 at the close of 1930. The excess of current liabilities over current assets was $657,056, as compared with a favorable balance of $142,452 at the end of 1930.

The principal change among assets is the increase in value of buildings and plants from $6,156,195 to $6,673,834 at the end of 1931.

Current Liabilities Larger

This plant expansion is reflected in the increase in current liabilities from $398,602 to $1,095,742. Bank loans of $130,000 shown in the 1930 report are replaced by bills payable totalling $845,000.

The depreciation reserve has been written down from $922,406 to $728,688, while the capital stock outstanding has increased from $5,273,110 to $5,285,880.

Canada Northern Power Earnings Gain in January

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp., subsidiary of Power Corp. of Canada, reports an increase in gross earnings for January, as well as a gain in net earnings, in comparison with the same month a year ago. Gross income last month totalled $293,866 and operating expenses $90,672, leaving a net operating income of $203,194. In the same month last year, gross revenue totalled $281,262, operating expenses $85,094, and net earnings $196,168.

BELL TELEPHONE PRESIDENT LAUDS ASSOCIATE'S AID

Expresses Appreciation for American Telephone & Telegraph Assistance

From Our Own Correspondent

MONTREAL.—Highlights of the 1931 operations were outlined by C. F. Sise, president, at the annual meeting of the Bell Telephone Co. of Canada. After mentioning that the company had been in business for half a century, he went on to tell how the company was improving its outside plant facilities. He made reference to the excellent work being done by the employees in selling the products of the company and said that the annual value of service successfully sold by this means amounted to $1,250,000.

Deals With Finances

Remarks made by Mr. Sise on the company's methods of financing in 1931 are of particular interest and are here reprinted in full:

"Finally I wish to say a word of appreciation for the financial assistance received from the American Telephone and Telegraph Company. At the end of 1930 we had bank loans amounting to $800,000, as was indicated by our last annual report. These loans were increased to $1,600,000 (Canadian funds) by January 16, 1931. Shortly thereafter it became evident that substantial savings in interest could be made if New York funds were borrowed. Accordingly from February to July of last year our requirements for new money were covered by short-term notes payable in New York; during the same period the loans in Canadian funds above referred to were converted to the same basis, at a greatly reduced rate of interest. By the end of July our borrowings amounted to $7,400,000 (New York funds), (the major portion of which was procured from our Canadian bankers). These loans all matured on November 2, at which date it was intended to clear up this indebtedness by permanent financing.

"England's abandonment of the gold standard on September 21, and the effect that action had on Canadian and United States currencies, are too well known to require further mention here. Permanent financing—either by stock or bonds—was out of the question. Our Canadian bankers offered to extend the maturity of their loans, but let it be known that due to the heavy demands that were being made on them for New York funds by the Dominion and provincial Governments they would welcome any relief we could give by using other sources of credit available to us.

"The matter was discussed with the American Telephone and Telegraph Company with the result that they agreed to let us have whatever amount of New York funds we might require and accordingly $7,400,000 was borrowed from them on November 2, and all outstanding notes paid off. Since that date additional loans have been obtained from them for various requirements, increasing our total indebtedness as of December 31 to $9,075,000."

"The financial aid thus given to us by the American Telephone and Telegraph Company is on a par with the assistance in engineering and other problems we are continuously receiving from that company. I sometimes feel that not only the public, but also our shareholders, do not fully appreciate what the relationship with the American Telephone and Telegraph Company has meant to our company, and I am thus pleased to present to you such a concrete case of the help we have had from them in our financing."

Public Utility Earnings

Canada Northern Power

	1932	1931	Inc.
Gross earn.	$293,866	$281,262	$12,604
Oper. exp.	90,672	85,094	5,578
Net earn.	$203,194	$196,168	$ 7,026

Canada Northern Power

January:	1932	1931	Increase
Gross earn.	293,866	281,261	12,604
Oper. exp.	90,672	85,094	5,578
Net earn.	203,194	196,168	7,026

Brazilian Traction

January:	1932 $	1931 $	Decrease $
Gross earn.	2,407,002	3,399,835	992,833
Oper. exp.	1,062,201	1,382,916	320,715
Net earn.	1,344,801	2,016,919	672,118
Aggre. gross from Jan. 1	2,407,002	3,399,835	992,833
Aggre. net from Jan. 1	1,344,801	2,016,919	672,118

Barcelona Traction

January:	1932 Pesetas	1931 Pesetas	Decrease Pesetas
Gross earn.	10,288,834	10,318,844	30,010
Oper. exp.	3,127,830	3,422,889	295,059
Net earn.	7,161,004	6,895,955	*265,049

*Increase.

Mexico Tramways, Light & Power Group of Companies

December:	1931 Pesos	1930 Pesos	Decrease Pesos
Mex. Tram. & Subs.:			
Gross earn.	819,560	807,120	†12,440
Oper. & deprec. exp.	837,350	898,460	61,110
Net earn.	*17,790	*91,340	†73,500
Aggre. gross from Jan. 1	9,319,790	9,943,740	623,950
Aggre. net from Jan. 1	*829,580	*888,280	†58,700
Mex. Lt. & Pr. & Subs.:	**		
Gross earn.	2,064,660	2,085,630	20,970
Oper. & deprec. exp.	1,120,650	1,182,880	62,230
Net earn.	944,010	902,750	†41,260
Aggre. gross from Jan. 1	23,906,135	23,331,364	†574,771
Aggre. net from Jan. 1	10,467,620	11,270,940	803,320

*Deficit.
†Increase.
**These figures include the earnings of the Toluca Co.

Heavy increases in taxation have been imposed under recent legislation in Mexico, seriously affecting the earnings of the companies.

Winnipeg Electric Co.

January	1932 $	1931 $
Gross earnings	523,599	560,159
Oper. expenses	346,383	365,722
Net income	177,216	194,437

Can. Western Natural Gas

	1930 $	1931 $	Decrease $
January	362,736	262,102	100,634
February	281,453	226,842	54,611
March	237,024	232,102	4,922
April	177,978	214,889	*36,911
May	127,595	124,260	3,335
June	93,872	84,419	9,453
July	63,314	67,405	*4,091
August	55,387	59,367	*3,980
September	76,610	80,883	*4,273
October	158,095	121,074	37,021
November	216,250	204,925	11,325
December	232,943	274,213	*41,270
Aggre. from Jan. 1 to Dec. 31	2,083,257	1,952,481	130,776

* Increase.

OTTAWA POWER PROFITS HIGHER FOR PAST YEAR

Earnings on Common Stock Register Gain Over 1930

From Our Own Correspondent

MONTREAL.—An increase both in gross and net earnings is reported by Ottawa Light, Heat and Power Co. in its annual statement covering operations in 1931.

Gross income totalled $2,290,813 compared to $2,212,887 in the preceding year. Despite the increased interest charges, due to purchase of New York funds, the net profit amounted to $464,241. This compares with $463,594 in 1930. Earnings on the common stock, after providing for depreciation, amounted to $6.62 a share, compared to $6.60 in 1930.

Sold More Bonds

During the year the company sold an additional $1,000,000 of its first mortgage bonds, the proceeds of which were used to fund indebtedness incurred for betterments and extensions. Among these was the reconstruction of the company's power station at the Chaudiere as a result of which the company added 5,000 h.p. to its available power supply.

Increased power development only came into operation in November so that increased revenue from this source was only available in the last two months of the year.

Details of Income

Particulars of the income account for the past three years follow:

	1931 $	1930 $	1929 $
Gross inc.	2,290,813	2,212,887	2,165,827
Oper. exp.	1,445,701	1,374,299	1,342,141
Taxes	160,060	157,142	158,439
Net earn.	685,052	681,446	664,747
Deduct:			
Bond int.	217,179	196,281	197,981
Other int.	3,632	21,571	10,520
Net profit	464,241	463,594	456,245
Pref. divd.	97,500	97,500	97,500
Balance	366,741	366,094	358,745
Com. divd.	210,000	210,000	210,000
Surplus	156,741	156,094	148,745
Depreciation	135,000	135,000	135,000
Balance	21,741	21,094	13,745
Previous surplus (a)	268,396	261,106	247,361
	290,135	282,200	261,106

(a) After prior year adjustments.

Working Capital Better

Several changes are noted in the balance sheet position of the company as at December 31 last. Working capital shows an increase from $73,824 in 1930 to $772,090. Assets were valued at $13,787,752, as against $13,105,664 a year ago.

In his address to the shareholders, Hon. T. Ahearn, president, had the following to say in part:

"There has been an increase in the total cost of operation, largely accounted for by the purchase of additional power to cover the greater demand for electricity supply, and to replace power shortage caused by the closing down of No. 4 Power House for several months during extensive improvements; also by the operation of our steam reserve plant during the early part of the year.

"United States Exchange has added over $18,000 to expenses during the current year; The main items being for bond interest payable in New York, and for exchange on coal purchased in the United States.

"The results of the year's operations are gratifying when it is recalled that your company has at the same time returned to the consumers of Ottawa, through municipal taxation, the sum of $143,759, which is $16,269 in excess of taxation for the same purposes during 1930. This annual contribution is noteworthy for the reason that your company has successfully maintained its position for over twenty years in the face of municipal competition from the local Hydro-Electric Commission, whose contribution in this respect is practically negligible."

Calgary Power Co. Building New Dam

From Our Own Correspondent

MONTREAL.—Calgary Power Co. will make a start this summer on the erection of a storage dam at Upper Kananaskis Lake. A construction road has already been completed to the site. The new dam will give an additional storage for power purposes of 50,000 acre feet of water, and will cost together with the amount already spent on the road approximately $100,000.

The new dam will be constructed to ensure an adequate water supply on the Bow River during the winter months when the demand for power is heaviest. It is thought that the additional storage thus provided will suffice until larger developments are undertaken.

Calgary Power now has three developments on the Bow River east of the junction of the Kananaskis and that river. These are at Kananaskis Falls, Horseshoe Falls and at the Ghost River site. Installation at the three ites totals 67,600 horsepower.

Power Corp. Redeems $450,000 of Debentures

From Our Own Correspondent

MONTREAL.—Since the commencement of the current fiscal year last July, Power Corporation of Canada has redeemed $450,000 of its outstanding 4½ and 5 per cent debentures. At present the company has issued about $2,580,000 of the 5 per cent debentures and approximately $9,650,000 of the 4½ per cent debentures.

Market value of the company's net assets as at December 31 last was officially placed at $30,000,000. This would indicate an equity of about $2,000 for each $1,000 bond debenture now outstanding. After deducting debentures, net assets were equivalent to more than three times the authorized and issued amount of the company's first preferred stock.

PENMANS DRAWS AGAIN ON SURPLUS TO PAY DIVIDENDS

Preferred Needs Covered But Deficit After Common Was $177,538

From Our Own Correspondent

MONTREAL.—Sales of Penmans, Ltd., in 1931 totalled $5,352,128 compared with $5,982,932 in the previous year, a decrease of 10.5 per cent, but profits declined less sharply, amounting to $313,578 against $332,977 in 1930. For the second year in succession no provision was made for depreciation and payment of dividends on the common stock necessitated drawing on surplus to the extent of $177,538.

Earnings applicable to the 64,518 shares of common stock were equal to $1.25 a share in 1931 compared with $1.93 a share in 1930. During the year dividends were paid at the rate of $4 a share, now reduced to $3 a share. Surplus at profit and loss totals $1,463,808.

Income Account Figures

Following is a comparison of profit and loss figures for the past three years:

	1931 $	1930 $	1929 $
Profits	313,578	332,977	675,728
Bond int.	110,000	110,000	110,000
Depreciation	......	......	100,000
Taxes	......	......	25,000
Bad debts	58,544	33,714	27,422
Net earn.	145,034	189,262	413,006
Pref. divd.	64,500	64,500	64,500
Balance	80,534	124,762	348,506
Com. divd.	258,072	258,072	258,072
Surplus	d177,538	d133,310	90,434
Prev. bal.	1,641,346	1,774,656	1,684,222
P. & L. bal.	1,463,808	1,641,346	1,774,656

d—Deficit.

Strong Liquid Position

Working capital, though lower, still reveals a strong liquid position. Current assets at the end of the year totalled $2,230,025 against current liabilities of $128,403, leaving a net working capital of $2,201,622. This compares with $2,481,850 at the end of 1930.

Railway Earnings

Canadian National Railways

January:	1932 $	1931 $	*Decrease $
Gross rev.	10,948,329	13,756,875	2,808,546
Oper. exp.	11,536,451	14,268,803	2,732,352
Net rev.	*588,122	*511,928	76,194

*Deficit.

Canadian Pacific Railway

January	1932	1931	Decrease
Gross earn.	8,993,956	11,632,995	2,639,038
Expenses	8,344,017	10,758,493	2,414,475
Net earn.	649,939	874,502	224,563

Our March 1st Review and a List of Bond Offerings — will be gladly furnished on request. This booklet includes a summary of recent events affecting the financial markets, as well as offerings of a wide selection of Canadian government and municipal bonds.

Write for this List to-day.

"There is no better investment than Canadian government and high grade municipal bonds"

Wood, Gundy & Company Limited

Toronto — Montreal — Winnipeg
Vancouver — New York — London, Eng.

Canadian National Shows Net Deficit

From Our Own Correspondent

MONTREAL.—Gross revenues of the Canadian National Railways for January, 1932, were $10,948,329, a decrease of $2,808,546 as compared with the corresponding month of 1931. In the same period operating expenses were reduced by $2,732,351 from the 1931 figure, to a total of $11,536,451, leaving a net operating deficit of $588,122 as compared with a net operating deficit of $511,928 in January, 1931.

Bell Telephone Co. Effects More Economies

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada has issued a statement to the effect that salaries and wages of all the company's executives and employees would be subject "to a temporary reduction of 5 per cent," effective April 1 next. It was added, however, that "in the case of those employees whose reduced working hours involved a reduction in earnings of more than 25 per cent of full time earnings, this 5 per cent reduction will not be applicable."

Exploit New Chinese Market

With the shipment to China of British Columbia-bred cows a new business in dairy machinery and milk cans is being developed between Canada and the Orient. Col. L. M. Cosgrave, Canadian Trade Commissioner at Shanghai, has written the Vancouver office of the Canadian Manufacturers Association asking for quotations and terms of delivery upon dairy equipment and quantities of milk cans.

Winnipeg Electric Co. January Net Lower

From Our Own Correspondent

MONTREAL. — Winnipeg Electric started off the new year with a decline in both gross and net operating revenue. The financial statement for January last shows a gross income of $523,599. as against $560,159 in January, 1931. Operating expenses declined from $365,922 to $346,383, but this did not hold off a decline in net operating income, which amounted to $177,216 in January, 1932, as against $194,437 in January, 1931.

Quebec, Saguenay Railway Bondholders Waive Interest

From Our Own Correspondent

MONTREAL.—Holders of the 6 per cent first mortgage bonds of Quebec, Saguenay and Chibougamau Railway have agreed to waive interest payments on their securities until December 31, 1932. The last payment was made in April, 1931.

The present agreement is a modification of the original proposal put forward by the company which sought for postponement of interest until not later than January 2, 1935.

Skinning Salmon Proves Profitable

Trying a new venture last year, with apparently satisfactory results, one of the salmon canneries on the Fraser River in British Columbia skinned part of the sockeye catch before putting the fish through the canning process and reported obtaining a premium for the product. Salmon are ordinarily canned without removal of the skins, and the advantage obtained by the cannery which has been experimenting with the use of skinned fish is said to lie in an added attractiveness in the appearance of the finished product.

This advertisement appears as a matter of record only

New Issue

$5,000,000

Province of Alberta

6% Sinking Fund Debentures
(Non-Callable)

Dated March 1st, 1932 — Due March 1st, 1947

Principal and half-yearly interest (March 1st and September 1st) payable in lawful money of Canada at the Imperial Bank of Canada, Toronto, Montreal, Edmonton, Winnipeg, Calgary, or Vancouver. Denominations: $1,000 and $500. Debentures may be registered as to principal.

Legal Opinion: E. G. Long, Esq., K.C.

These Debentures are a direct obligation of the Province and are exempt from municipal taxation in the Province of Alberta and from all Alberta provincial taxes, and exempt from succession duty imposed by the Province.

Of the proceeds of this issue, approximately $2,318,000 will be used for refunding purposes and the remainder for telephones, public works and other public purposes.

An annual sinking fund of 1% will be established against this issue.

Alberta has undergone steady development for many years and the sources of its wealth and revenues are becoming increasingly varied. These sources include agriculture, manufacturing and minerals, the latter consisting largely of coal, petroleum and natural gas. Agriculture, in itself, is widely diversified, due to development of mixed farming; approximately 45% of the agricultural revenues results from wheat growing and the remainder from other field crops, livestock, dairy farming, etc.

The Province's finances have been carefully administered; the Premier has authorized the following statement:

"Early in the present fiscal year the Government of Alberta, in the light of world wide economic conditions, undertook a thorough study of its financial position resulting in a drastic curtailment of expenditure, and further levies to provide increased revenues. As conditions changed rapidly and commitments had already been made, a deficit of somewhat less than four million dollars is expected in Provincial account for fiscal year ending March 31st next. The steps now taken however, cause Governmental Officials to believe that the Budget will be balanced for the fiscal year commencing April 1st next. Fortunately the Province has largely provided for its financial requirements, and consequently there will be no further urgent need of financing this year, while the payment on the northern railways will largely take care of our requirements next year including refunding."

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures if, as and when issued and accepted by us, subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery on or about March 9th, 1932.

Price: 95.25 and accrued interest, to yield 6.50%

Imperial Bank of Canada — Bank of Montreal — The Royal Bank of Canada
Dominion Securities Corpn., Ltd. — A. E. Ames & Co., Limited — Wood, Gundy & Company Limited
The Canadian Bank of Commerce — The Bank of Nova Scotia — The Bank of Toronto
McLeod, Young, Weir & Co., Ltd. — The Dominion Bank — Fry, Mills, Spence & Co., Limited
Bell, Gouinlock & Co., Limited — R. A. Daly & Co., Limited — Hanson Bros., Inc.
Nesbitt, Thomson & Co., Ltd. — Royal Securities Corporation Ltd.

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein made to be true.

Don't nurse opportunity too long; take it into active partnership at once—Quotation.

OPPORTUNITY is afforded today for the purchase of sound investment securities at prices substantially below par.

Certain large and well-established Companies have increased their earnings during the past two years. Senior securities of such Companies may be purchased at prices to yield as high as 7½% per annum.

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30

News of Investment Markets

ALBERTA BONDS SOLD QUICKLY; ARE TAX FREE

Demand Continues for New Issues Offered at High Yields

MANITOBA NEXT?

Toronto Considers Issue of Bonds of $100 Denomination to Attract Small Investor

The smooth course of Canada's internal financing programme remains unruffled with over-subscription of the $5,000,000 issue of Alberta 6's, due 1947, which was offered on February 29 at 95¼ to yield 6½ per cent, the same terms that prevailed for the British Columbia issue of the previous week. Dealer demand for the Alberta's is reported to have amounted to some $24,000,000. Institutional investors are said to have taken up some $1,500,000 of the issue and demand from this source which was comparatively small during January is now increasing.

Alberta is expected to have a deficit of around $4,000,000 for the year ended March 31, 1932, but the financial requirements of the province have largely been met and it is expected that no further financing will be necessary this year. This does not exclude the possibility of the province refunding certain short term loans providing the market is satisfactory. Payment on the northern railways will take care of financial requirements for the next fiscal year, including refunding.

Are Tax Free

An interesting feature of the Alberta issue, a departure from precedent of the past few years, is the exemption of the bonds from municipal taxes and all provincial taxes within Alberta including the succession duty imposed by the province. This provision makes the bonds particularly attractive to residents of Alberta who are faced with increased taxes including a provincial income tax. The tax free provision is a direct incentive to large investors in Alberta to place their funds in this issue.

Manitoba with an issue of $5,000,000 may be the next borrower to come into the market; Saskatchewan and Nova Scotia are also possibilities. Toronto is not expected to enter the market until the latter part of March and may issue bonds in denominations as low as $100. Ottawa and Winnipeg are expected to be fairly substantial borrowers in the next few months. Smaller municipalities are holding off until the larger issues are placed, but the few that have come into the market have done fairly well and others who have offered bonds direct to their citizens have secured money at a lower cost than have the provinces.

New financing in Canada during January and February totalled $61,619,000, according to figures compiled by Wood, Gundy & Co., as compared with a total in the corresponding period of 1931 of $127,647,000; in 1920 of $60,583,000 and in 1929 of $14,750,000. Included in the 1931 figure is $70,000,000 of Dominion of Canada guaranteed bonds and a considerable number of municipal offerings. In direct contrast, there has been no Dominion financing in 1932 and few municipal offerings.

Walker's Stock Plan To Release Millions

Moss, Lawson & Co., brokers, Toronto, in a letter to clients state that the Walker-Gooderham & Worts plan of splitting present common stock equally into half as many shares of new preferred and common stock is proving of great benefit to the stock market. Retirement of the new preferred with cash in the company's treasury "will release millions of dollars now tied up in frozen loans and much of this money will be available for new purchases."

The brokerage firm also thinks that, once retirement of the new preferred is effected, the substitution of one share of common stock before there were four shares will stimulate available demand. The plan, says the letter, has stimulated the whole stock market on the Toronto Stock Exchange as compared with other exchanges. This first constructive step in corporation history may be followed by others.

HUNT'S EARNED $1.58 PER SHARE SALES OFF 12 P.C.

Made Write-offs of $74,784; Working Capital Down

Reporting total sales for 1931 at $991,146 as compared with 1930 sales of $1,130,425 and drop in net profit to $53,269 from the $87,179 shown the previous year, the annual statement of Hunt's Ltd. for the year ended December 31, 1931, shows net earnings of $1.58 per share on the 18,656 shares of class A and class B stock outstanding as compared with $2.59 in 1930 and $2.69 in 1929. Reduction in sales is stated to have been due to lower prices at which candies and pastries were sold but unit volume of sales was well maintained. The company now operates 30 stores, having opened three stores during the year and closed one.

The income and surplus account of the company shows reduced provision for income tax but write-offs of $7,000 for idle store equipment and $67,784 for Yonge St. leasehold and building improvements. Government bonds owned were written down by $9,748 to market value. Dividends amounting to $1.40 per share were paid during the year on the class A and class B shares. The income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Sales	991,146	1,130,425
Net earnings	57,168	95,839
Less: Prov. for inc. tax	3,899	5,829
Loss on fixtures	......	2,831
Net profit	53,269	87,179
Less appropriations:		
Class "A" divds.	26,118	27,984
Class "B" divds.	21,000	22,500
Surplus for year	6,151	36,695
Add: Prev. surplus	251,072	216,513
Less: W/o store equip.	7,000	......
Adj. Govt. bonds*	9,748	......
W/o bldg improv.	67,784	......
Adj. of life insur. to cash surrender val.	......	2,136
Bal. carried forward	172,691	251,072

*Market value.

Ratio of current assets to current liabilities at two to one is under that of 1930 with current assets down to $130,661 from $184,752 and current liabilities down to $64,544 from $80,195.

CANADA WIRE'S REPORT FOR 1931 SHOWS DECLINES

Profits Sharply Reduced But Income Tax the Same

From Our Own Correspondent

MONTREAL—Canada Wire and Cable Co.'s report for 1931 features a sharp decline in earnings; conversion of 1100 shares of Class "A" stock into "B" stock; sale of 22,000 shares of "B" stock to Noranda Mines at a total cost of $770,000; weakening of working capital position; and a gain in assets to nearly $8,000,000.

Income for the year, after providing for depreciation and "other provisions," totalled $334,148. This compares with $738,744. The management attributes the reason for this to reduced commodity prices, reduced demand and reductions in inventory values. Unfilled orders at the end of the year were larger than on the same date in 1930, according to the president's statement, and this accounts for the increase in inventory values shown on the balance sheet.

Income Tax Large

Dividends paid during the year amounted to $534,036, which together with income tax, brought about a deficit of $251,888. This compared with a surplus of $275,695 after corresponding charges in 1930. Despite the sharp contraction in net earnings, it is noted that income tax charge remains about the same for both years. This may be due to the fact that operating income was roughly the same in 1930 and 1931, but that larger write-offs in 1931 for inventory losses and additional provision for bad debts brought net income down to the figure shown in the report.

Subsidiary Payments Eliminated

Another feature of the income account, is in the matter of dividends paid on Class "B" stock held by a subsidiary company. In 1930 this subsidiary held 600 Class "A" and 105 shares Class "B" stock and 1,965 warrants of the parent company. Dividends paid to this subsidiary totalled $5,192 in 1930, which amount was credited back to the parent company on its income account. The 1931 statement shows that the subsidiary had presumably converted its "A" shares and now holds 1,900 "B" shares and 2,085 warrants, but the income account of the parent company does not refer to the payment of dividends on this stock or to the crediting to the parent company of such payment if made.

Particulars of the income account for the past two years follow:

	1930 $	1931 $
Net profit	706,726	291,171
Other income	32,018	42,977
Total income	738,744	334,148
Less: Res. for taxes	53,000	52,000
Net profit	685,744	282,148
Less: Pfd. divds.	194,993	190,446
"A" Divds.	180,000	118,676
"B" Divds.	40,248	224,914
Add: Divds. rec. by subs.	5,192	......
Surplus	275,695	*251,888
Less: Prelim. oper. exp.	......	70,160
	275,695	*322,048
Add: Prev. surplus	643,943	919,638
Carried forward	919,638	597,589

Macleod Withdraws From Firm

From Our Own Correspondent

MONTREAL.—Johnston & Ward, stock brokers, announce that Donald Macleod has withdrawn from partnership in the firm. Remaining partners are Stanley Johnston, Guy E. Leslie and H. J. Ferguson.

Power Corp. Group Report Output Gain

From Our Own Correspondent

MONTREAL.—Power Corp. of Canada group of power utilities report an output of 168,761,128 kw.h. of electrical energy during January last, an increase of 13 per cent over the total for the same month a year ago. A portion of this increase was accounted for by the inclusion of Northwestern Power Co.'s output, but exclusive of the latter the increase recorded was in excess of 5 per cent. Southern Canada Power, Canada Northern Power had the largest increases during the month, details of which follow:

	—Kilowatt Hours— January 1932	January 1931
Southern Canada	15,039,150	10,982,368
Can. Northern	36,377,060	33,312,350
East Kootenay	5,491,200	6,397,900
B. C. Power	46,144,100	47,945,162
Northern B. C.	748,818	763,614
Wpg. Electric	16,607,800	15,354,100
Manitoba Power	36,893,000	34,566,000
N'western Power	11,460,000	......
	168,761,128	149,321,494

B.C. SINKING FUND HAS GOOD SURPLUS

Short Term Loans Total $15,000,000; Exchange Cost $500,000

From Our Own Correspondent

VANCOUVER—Based on par value of holdings, British Columbia's sinking fund has a surplus of $2,000,000, and every dollar of the Pacific Great Eastern Railway guarantees is provided for in a similar fund, according to E. D. Johnson, deputy minister of finance, who explained that sinking fund provisions were only set up for borrowings of more than five-year duration.

In short-term borrowings, said Mr. Johnson, the indebtedness of the province, for which no sinking fund is provided, stands at approximately $15,000,000. This amount includes $3,370,000 short term loans for unemployment relief, which will largely be repaid by the federal government.

Earning power of the sinking fund is at present on a 4 and 4½ per cent basis, but there is a continual exchange of holdings to bring in more advantageous rates, according to Mr. Johnson. Each year, he said, $358,000 is set aside for the Pacific Great Eastern Railway. British Columbia paid about $500,000 in exchange on short term loans on the New York market in 1931.

Bond Tenders

March 8, Riviere du Loup—$85,000, 6 per cent bonds, dated Nov. 1, 1931, redeemable serially from Nov. 1, 1932 to Nov. 1, 1941, payable at Bank Can. Nationale at Riviere du Loup, Quebec or Montreal. J. Lebel, sec.-treas.

March 19, Parish of Sainte Therese d'Amos—$125,000, 6 per cent bonds, dated May 1, 1932, redeemable serially from May 1, 1933 to May 1, 1962, payable at Bank Can. Nationale at Montreal, Quebec, and Amos. J. A. Mireault, sec.-treas.

Monthly Bank Clearings

Eastern Cities	Feb., 1931	Feb., 1932
Halifax	$ 10,609,718	$ 8,393,347
Saint John	10,592,035	6,992,419
Moncton	2,705,808	2,795,982
Sherbrooke	2,887,613	2,230,808
Quebec	20,450,701	16,376,664
Montreal	487,579,611	326,425,374
Ottawa	25,259,611	20,520,317
Kingston	2,285,012	2,136,743
Peterboro	2,932,721	2,324,305
Toronto	417,575,527	337,092,125
Hamilton	19,233,904	15,117,815
Kitchener	4,133,253	3,363,299
Brantford	2,697,056	3,112,335
London	11,101,760	10,068,336
Windsor	12,250,590	9,131,761
Sudbury	2,858,120	1,933,776
Western Cities	Feb., 1931	Feb., 1932
Winnipeg	135,917,627	123,111,561
Brandon	1,496,871	1,219,717
Regina	11,899,322	12,653,443
Moose Jaw	2,874,121	2,967,384
Saskatoon	6,265,052	5,345,360
Prince Albert	1,337,897	1,333,938
Edmonton	17,173,129	15,177,401
Calgary	25,590,000	19,764,610
Medicine Hat	861,149	758,372
Lethbridge	1,601,278	1,264,225
N. Westminster	2,459,423	1,822,422
Vancouver	60,676,112	51,459,216
Victoria	7,367,622	1,583,412

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100

†Or before.
*Called in part.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	*—Sold To—	Rates	Maturity	Amount	Price	Basis
Municipal—							
Almaville, Que.	....	La Corp. de Prets de Quebec	6%	8-ser.	$27,000	95	7.30%
Beaupre, Que.	Feb.	La Corp. de Prets de Quebec	5%	...	11,500	95	6.08%
Provincial—							
Alberta	Feb.	Wood, Gundy & Co., Bank of Montreal and Syndicate	6%	1947	$5,000,000	*95.25	6.50%

*Offering price.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Can. West. Natural Gas *	Dec. 31	529,492	599,444	15.13	12.13	6.00	254,590	378,527	...	...	...
Dominion Stores	Dec. 31	522,630	580,809	1.85	1.91	1.20	1,201,049	1,267,008	17½	9.45	6.85%
Western Grocers	Dec. 31	78,203	90,014	...	0.38	...	372,909	378,307	10	...	...
Hunts, Ltd.	Dec. 31	53,269	87,179	1.58	2.59	1.40	172,691	251,072	17	10.7	8.25%
British American Oil Co.	Dec. 31	2,730,930	2,648,033	1.04	1.01	.80	8,631,176	8,054,887	10⅛	9.7	7.9%
Imperial Tobacco Co.	Dec. 31	5,914,079	†8,153,638	0.58	†0.80	‡0.35	7,763,000	7,728,115	7½	12.9	7.9%
Simpsons Ltd.	Feb. 3	620,480	1,344,776	...	2.61	...	702,229	945,054	...	...	...
Acme Glove Works Ltd.	Dec. 31	§38,726	§36,876	...	...	...	§84,077	§53,017	...	...	...
Viau Biscuit Corp.	Dec. 31	132,760	190,611	1.19	3.51	...	87,800	110,798	...	...	...
Charles Gurd & Co.	Dec. 31	136,550	196,837	1.97	2.95	2.00	274,119	280,723	19	9.6	10.5%
Ottawa L., H. & Pr.	Dec. 31	464,241	468,594	6.62	6.60	6.00	290,135	282,200	105	16	5.71%
Canada Iron Foundries	Dec. 31	434,908	329,483	6.59	6.06	3.00	352,760	198,486	60	9.1	5%
Corrugated Paper Box	Dec. 31	71,297	60,052	...	0.04	...	107,034	196,445	...	...	...

* Preferred stock.
§ Deficit.
† 15 months' period.
‡ Plus final payment applicable to 1930 of 20c.

CANADIAN PACIFIC JANUARY PROFITS BELOW LAST YEAR

Operations in Arbitrage Cause Stock to Advance in Value

From Our Own Correspondent

MONTREAL—Both gross and net operating income of the Canadian Pacific Railway during January last were under that reported for the corresponding month of 1931.

The company reports a gross revenue of $8,993,956, as against $11,632,995 a year ago. Operating expenses declined $2,414,017, to $8,344,017 leaving net earnings at $649,939. This compares with $874,502 for January 1931.

Stock Moves Up

Despite the January statement of decline in earnings, the stock of the company came in for considerable attention at the beginning of the week and advanced nearly 2 points in value.

Buying of the stock came mostly from International trading centres, principally London and Paris. There was little or no investment buying, practically the whole volume of trading being attributed to arbitrage operations.

Many Rum .s Afloat

The move in the stock, however, brought forth a large crop of rumors. It was said that the buying was based on the report that a consolidation of the Canadian Pacific and Canadian National railways would be effected. This story is officially denied.

Another rumor to receive wide circulation was that the buying came from "insiders" who had advance knowledge of the contents of the Duff Commission report. This story is given no credence for it is said that the preparation of the report has only begun and further that it will not be presented to the government for several weeks. At the earliest, it is expected that the report will be completed toward the end of April, while those closely informed say that it may be about the middle of May before the report is submitted to the government.

Ottawa Power Profits Record Gain This Year

From Our Own Correspondent

MONTREAL—Earnings of Ottawa Light, Heat and Power Co. since the beginning of the current year have been on a more satisfactory basis than in the corresponding period of 1930.

Financial returns for January show an all-round improvement and after all charges, net profits were substantially over those for January 1930. The betterment continued throughout February judging by interim returns.

The showing made by Ottawa Power last year with increased gross and net earnings, and since the beginning of the year is considered an exceptional one in view of the general falling off in operating revenues reported by nearly all utility companies throughout the Dominion. On top of the general decline in business, the company has to contend with competition from the Hydro, but despite these two unfavorable factors, the management has been able to report continued improvement in financial position.

Aside from the improved efficiency of operations and consequent lowering of expenses, the gain in net income this year is a reflection of the increased power facilities placed in operation last November. The report for 1931 did not fully reflect the benefit accruing from the plant expansion, but the returns this year would indicate that expansion is having a favorable effect on revenues.

Town Uses Warrants To Avoid Borrowing

From Our Own Correspondent

CALGARY—The town of Raymond, seat of Alberta's sugar beet industry, is attempting to take care of its financial problem, caused by arrears of taxes, without further borrowing from the banks. It is making payment to its employees, and to residents of the town for services rendered and for goods supplied, not by cheques, but by town warrants, which are declared on the face of them to be redeemable in cash on January 15 following the date of issue. In the meantime they will be accepted by the town in payment of all town taxes and water rates.

It is hoped that the warrants will be accepted freely by merchants and business men in the town, and that the majority of them will be paid in to the town treasury against either over due taxes or taxes of the current year.

Warrants to the extent of some hundreds of dollars have already been issued, and have been accepted in initial payment, as the recipients had practically no other recourse. They have also been negotiated to some small extent, as merchants have been willing to accept them in payment of over-due accounts.

Town officials claim that the position of the town is not serious, and that they are trying this experiment in preference to negotiating bank loans against over-due taxes, which they believe would have been possible.

Expect "Breweries" to Earn Dividends

From Our Own Correspondent

MONTREAL.—Earnings of National Breweries, Ltd., for 1931, are understood to have been sufficient to cover all charges including dividends on the common stock. Though no figures on revenue in the past year have been made public earnings are expected to be lower than those of the previous period when the highest figure ever reported was shown in the income account.

There can be little doubt that sales of beer have been affected by unemployment and general business conditions. One threat to revenue, however, in the form of increased taxation has been shelved for the time being and at the moment there is no plan under consideration for increasing the present tax on the company's products. Earlier in the year a higher tax on beer was planned but the proposal did not materialize.

Net earnings of National Breweries in 1930 were the equivalent after provision for depreciation and preferred dividends of $2.40 a share on the 721,372 shares of common stock. This compares with a disbursement of $1.60 which is presently maintained.

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FRIDAY, THE FIRST DAY OF APRIL

next, to Shareholders of record at the close of business on the Fifteenth day of March, 1932.

By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, February 17th, 1932.

COMMUNE BONUM

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Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Brittain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

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TORONTO, MARCH 5, 1932

SOCIALISM'S ATTACK ON INDIVIDUALISM

WE PUBLISH this week a defense of the Soldiers' Settlement Scheme by John Barnett of Regina, who was for seven years chairman of the board of that organization. Two weeks ago The Financial Post published a financial analysis of the results of Soldiers' Settlement. Mr. Barnett objects to the summary of results given in that article and believes that there were other human contributions that were worthwhile. The Financial Post is, of course, glad to have an opportunity to present Mr. Barnett's reply.

In the course of a covering letter Mr. Barnett says:

"There is one aspect of this article and of the other critical reviews which have been appearing in your paper which deserves some consideration. I can quite believe that all of these criticisms are inspired by a desire to see more rigid economy and greater efficiency displayed in governmental enterprises and in railway operations. At the same time, it must be remembered that in these days when literally hundreds of thousands of Canada's men, women and children are hungry, cold, ill-clad, and unable to obtain work, when so many have lost all the property interests they have had, and when so little light appears ahead, there does prevail a distressing tendency upon the part of a large element in the population to seek to destroy the whole governmental and economic fabric on which we have hitherto built."

Mr. Barnett is somewhat afraid that The Financial Post's articles revealing the causes of rising taxation in Canada may have the effect of encouraging those who see salvation for the present situation only in the wiping out of the whole economic structure. He says "A reliable financial journal such as The Financial Post should at least have some conception of the other side of the picture, because there is little gain in hurling mud even at governmental institutions for the mere sake of discrediting them. Such action is likely to bring down far more than the object immediately aimed at."

In presenting the facts as to the rising cost of government, The Financial Post has left it very largely to its readers to judge of the merits or demerits of the various schemes that governments have developed. It has been concerned with letting the public know why governmental costs have risen. At the same time it recognizes that no man or woman must be allowed to suffer. But relief is a matter for private charity and municipal government.

The Financial Post is quite aware that destructive influences are at work and that there are many people who would like to bring down the whole economic and political system in order to set up something new and as yet purely theoretical. But it does not feel that socialistic and paternalistic schemes by governments are necessary concessions in a scheme of defense for our institutions. There are many people who do think that. It is often argued that if governments did not meet socialism and communism half way that socialism would gain full swing and break down individualism. But there are other equally determined economic and social thinkers, who hold that the present world situation is largely a result of too much government in business, too much governmental regulation of the activity of the people and too little individualism.

To The Financial Post the debate is interesting, but it is overshadowed by one other consideration; the necessity of reducing our national costs of production if we are to continue to compete on favorable terms with other countries in international trading, and if our citizens are to enjoy the comfort and happiness that comes from a judicious exploitation of the opportunities provided for them at home. The major item in the cost of doing business in Canada is that of taxation and the rapid rise in tax costs threatens our economic future. Before any intelligent effort can be directed toward reducing tax costs it is necessary to know how governments are today spending money and it is to this purpose that The Financial Post articles have set themselves.

IS IT OTTAWA'S DUTY TO FINANCE PROVINCES?

IN PARLIAMENT it has been made clear that the Dominion Government has come to the aid of the provinces, making to them loans to enable them to meet maturing obligations. Disclosure of a loan to the province of British Columbia led the Ottawa Journal to make this statement:

"The Dominion government, of course, could hardly afford to let British Columbia default. That would have been almost as bad for Canada as for British Columbia.

"The real point, however, is this: That since the consequences of provincial borrowing are likely to fall upon the Dominion, borrowing, and particularly external borrowing, should not be left entirely to the whims of the provinces."

The Journal's solution for the problem was to establish a central board or tribunal which should have authority to pass upon all external (or foreign) borrowings of the provinces. The Journal argues that if the Dominion is going to be held responsible and is likely to be gravely affected, then it should have some say in the matter.

Mr. Bennett and the Journal alike have apparently assumed that the Dominion government should assume responsibility for the credit of the provinces. But is it not dangerous to assume that this procedure establishes a precedent to be followed whenever one of the provinces has difficulty in raising money? There is no check upon governmental expenditures like a genuine difficulty in raising money. It has been a good thing for the provinces to have had a taste of hard borrowing, and while they are all getting the money they need now, thanks to the concerted efforts of investment bankers of Canada, some of the more ambitious spenders among them have been chastened somewhat.

On the whole, Ottawa should leave the provinces to finance themselves.

It will not be necessary to have a central board to pass on provincial borrowings if it is made clear that the provinces cannot borrow from the Dominion government every time the money market goes against them. The Dominion government has no right to play the rôle of banker to spendthrift provinces. It does not have to play that rôle to the others.

DUNCAN PRESCRIBES AGAIN

REPORT of the Duncan Commission on the coal industry in Nova Scotia does not mince words in setting forth the seriousness of the situation. It deals ably with the causes leading up to the present depressed state of affairs of the industry and outlines a plan of action considered vital for the immediate future of the industry.

It is submitted that the rehabilitation of the industry can be effected through the closing down of four pits in the interest of consolidated operations. This would result in the displacement of some 2,000 workers, but steadier employment would be given to the reduced force. Consequently production costs would be lessened materially, and, at the same time, an output assured which would care for a market absorbing a million tons more coal per annum than has been sold, on an average, in the past ten years.

The Commission deals impartially with the claims of both the operators and the mine workers. The operators' re-allocation plan is approved with slight modifications, but their wage proposal is re-adjusted. Dominion Steel & Coal Corp. had asked for a graduated wage cut ranging from 7 to 29 per cent, and averaging 12.3 per cent. The Commission does not agree with this, and proposes a cut of 10 per cent for datal employees and 12½ per cent for contract workers, making an average reduction of about 10 per cent.

The solution offered to present problems of the industry does not cover any radical changes. It has been known for long that remedial measures must be taken if the industry is to continue as a major economic force in Nova Scotia. The failure of the operators and mine workers in the past to agree upon a common policy of re-habilitation has been detrimental to the welfare of the industry. Bargaining is no longer possible, and through the co-operation of all concerned, the industry may yet be restored to its former prosperity and possibly through following the recommendations laid down by the Duncan Commission.

MINING ENGINEERS AND INVESTORS

A VERY warm and wordy battle is in progress in Ontario, the subject of dispute being the proposed legislation to restrict the practice of engineering in Ontario to the present and future membership of the Association of Professional Engineers of the province. At the present time there are laws in Ontario restricting the practice of medicine, dentistry, land surveying, undertaking, law, chartered accountancy, architecture, and other professions but, so far, Ontario (accompanied by Prince Edward Island) has declined to give statutory dignity to the engineering profession. Anyone may practice as an engineer in Ontario. Protection is given only to the use of the words "professional" engineer.

The legislation shortly to be introduced will restrict the use of the title and the practice of the profession and it is proposed to apply to civil engineers, chemical engineers, electrical engineers, mechanical engineers and mining engineers. There seems to be little protest from the first four groups. But in the mining fraternity many objections have been raised to making a closed corporation out of the mining profession.

It is argued that mining is more a business than a profession; it is argued too that the legislation may seriously hinder prospecting and that it attempts to supply a definition to a line of work that is not capable of close definition. These objections must be met by the sponsors of the bill before they can count on the support of members of the Ontario legislature. If they cannot meet the objections they will have to count on another year or two of public education before forcing the bill through the legislature.

From the standpoint of the investor or speculator in mining securities there is a distinct interest in the proposed legislation. In the past many spurious mining promotions have been foisted off on the general public on the strength of technical reports by men styling themselves engineers, but in reality thoroughly unqualified to make examinations or reports. Against this practice there is little protection for the public which has only the slightest means of determining the professional standing of any engineer or of any person styling himself as such. An "engineer" may be guilty of the most unethical and dishonest practices but unless he styles himself a professional engineer and is a member of the Association there is no way for any one to discipline him.

It is this situation that gives the bill a strong appeal to the average investor. Toward the debate going on between mine managers, prospectors and promoters on the one hand and the professional engineers on the other the average man on the street will remain lukewarm; he cannot be expected to know what it is all about. But of one thing he does want to be assured; that every engineering report in minnig is made by a qualified engineer; that those who do the engineering work at the mines are qualified engineers (who need not be college men) that some facilities are provided for disciplining those who sign their names to thoroughly misleading, inadequate or dishonest reports published to promote the sale of securities. If the new bill will do that job, mining shareholders and speculators will be behind it to a man.

MAKER OF CANADA PASSES

IN THE death of William Southam, Hamilton, in his 89th year, it may be truly said that one of the real makers of Canada has passed. He was born on the day of his parents' arrival at Montreal of that grand, sturdy, honest type of English migrants, who with the United Empire Loyalists, laid the foundation of one of the world's strongest races.

Self-made, he built the great nation-wide newspaper and printing interests that have wielded modestly, unostentatiously, a power that has never been fully known or appreciated. He was never a politician. He never sought public men or public office. As a journalist, he was much more powerful than they. Nor did he use that great power for selfish ends. He had the statesman's viewpoint, and was consulted by our greatest statesman, Macdonald.

But more important than all this is that he leaves behind him a large family of children and grandchildren to carry on—and who are carrying on—with a background of fine, old, worth-while British traditions, and over three-quarters of a century of successful Canadian experience. The record in this respect is probably surpassed by only three other great Canadian families. And all are of English ancestry.

EDITORIAL NOTES

Last week we published a record of the public welfare expenditures of Canadian provinces. It showed the extent to which the rise in taxation is due to social legislation. Justice Middleton, reporting on a proposal to increase workmen's compensation rates in Ontario, presents further startling figures. By adding educational expenditures and bonuses on rural power lines to figures similar to those given for Ontario last week, Justice Middleton indicates that Ontario spends $31,000,000 a year on social legislation and he remarks that in such legislation Ontario stands second only to Soviet Russia.

* * *

The people of Ontario will probably conclude that the relationship of the Ontario Hydro-Electric Commission to the Beauharnois contract will not stand the light of investigation. An insistent demand for a Royal Commission to investigate a number of matters touching the Hydro has been met by the appointment of a single judge to look into two much discussed matters; the purchase of the Dominion Power and Transmission Company properties at and around Hamilton for some $20,000,000 and a payment of $50,000 received by an individual in Toronto in connection with the purchase of the Chat Falls power site by the Hydro. But somehow the public, whose judgment can often be trusted on these matters, is more interested in knowing the details of the $125,000 transaction that was revealed in the Beauharnois probe of last year. It does look somewhat mysterious that one $50,000 transaction should be investigated and another $125,000 transaction be protected. Against the appointment of a commission for a more compre'-nsive probe it is stated that two previous commissions cost the government $1,000,000 and revealed nothing. This is quite wrong. The Sutherland commission made a report that was largely responsible for keeping the Hydro out of a colossal investment in radial railways that would have bankrupted Ontario. Never was money better invested.

POST-scripts

HERE is a story which we pass on without comment. One of our editors was trying to get in touch with a broker recently declared bankrupt. He called the telephone number shown in the directory, but was informed by central that the line had been disconnected. Knowing that the erstwhile broker had a telephone, the editor appealed to the Bell Telephone information girl, who told him to call La.——. The number was dialed.

"Hello," said an unknown voice in reply.

"Is Mr. So and So there?" said the editor.

There was a delay of a few moments and the reply came back that the party was not there, nor did they have any record of him.

"But I was told Mr. So and So was there. Isn't this La.——?"

"Yes, but we have no record of Mr. So and So yet."

"What place is that?"

"This is the Montreal jail."

SKIING and ski-jumping are among Canada's major assets, for they help to build up our tourist trade. Quebec province has always been the centre of Canadian skiing with British Columbia's mountain resorts also famous for advanced ski practice. Now Toronto has gone ski-wise and its thousands of skiers have nursed their urge during a snowless winter.

Few skiers ever become jumpers. To be a successful ski-jumper one must have no nerves but plenty of nerve. Any one who has climbed to the top of one of Canada's tall ski-jumps and looked down to the infinitesimally small landing place far below knows what is required of a good ski-jumper. The average skier would not take one of these jumps for $25,000. Yet most of those who jump do it for the thrill. Personally we would much prefer jumping out of the Empire State Building with or without a parachute.

Last week we had a long talk with Jack Landry, just-under-twenty Ottawa boy, who made the Canadian Olympic team to Lake Placid. He had just jumped 206 feet on the famous ski-jump at Lucerne-in-Quebec, where the Intercollegiate sports were held last week in perfect winter sports surroundings.

Jack told us that going down the first part of the ski-jump before the take-off gives one the same sensation as being in a falling elevator or in an aeroplane taking a sharp dive to earth. The good ski-jumper must lean forward. At the exact moment of the take-off his body must be practically horizontal. He is really taking the jump head first. This is because at the moment of take-off he is going about 75 miles an hour and if he did not lean forward the pressure of the wind would throw his body back, shortening the jump and probably giving him a nasty fall. When you see a jumper swinging his arms, like a windmill, you know he is striving desperately to keep his forward angle to get distance and to make a good landing. The body must retain this position until the landing is made because the landing is made on a slide set at an angle of 37 degrees.

The Lucerne jump is called a 60-metre jump because 60 metres, or about 200 feet is about what it is possible to get off it. A good jumper will get more. The record at Lucerne is, we think, about 223 feet. One man did 237 feet but as he fell, the jump did not go into the books. The Lucerne jump is one of the world's best. It is the longest in Eastern Canada.

If a skier has a bad fall he must immediately climb to the top and take the jump over. This is imperative. The man who declines to do it will probably never have nerve enough to jump again. The skier must always be one up on the slide. We saw one young McGill lad making his first big jump. He got only 83 feet and took a bad shaking-up out of it but he went back and did it over again to renew his courage.

There is some danger in ski-jumping. Against a heavy wind it is difficult to lean forward. A side wind may blow a man pretty close to the grandstand or the superstructure of the slide. Crossed skis are dangerous and would lead to broken legs if it were not for the fact that a good jumper see to it that he never gets his skis crossed.

Bill Morrison, sports editor of the Montreal Gazette, told us that in his twenty years around Montreal he had only heard of two or three accidents in ski-jumping, which ranks well with most sports. Jack Landry said he didn't see anything very dangerous in it. "Now, I'll tell you what is a dangerous sport—speed skating. If they fall they may easily hurt themselves," he said.

That sounded interesting. Jack Shea, Olympic sports king and winner of two of the Lake Placid speed skating races, was at Lucerne so we asked him what he thought of ski-jumping. He wasn't having any.

Every man to his own trade.

As Others See Us

What Breeds Free Traders

North Bay Nugget: In last week's issue The Financial Post takes up a point in connection with the theory of protection for industry that is well worth considering. It is the abuse of privilege and the thing that sets many people against a protective tariff. The point raised is that certain manufacturers seem to think that with a protected market the people have to come to them and they do not need to do anything to keep up to date and give what the customer wants. The Post mentions a firm manufacturing women's wear which expected that the buyers of supplies for the stores would be satisfied this year with the old patterns. The buyers weren't and quite rightly so. Because a manufacturer gets protection from unfair competition is no reason why he should try to gyp the public and that is precisely what was being attempted there. By using old patterns and stocks of old material quite a nice profit could be worked up and the chances are the retailer would be left holding the bag since he would have no incentive to offer his customers to induce them to buy. It is just that sort of thing any government favoring a protective tariff must have in mind if it hopes to continue in power. Abuse of privilege breeds free traders and breeds them rapidly.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

GOLD VS. MANAGEMENT

TO MANY of the leading monetary economists and bankers of Britain the thought of complete and final abandonment of the gold standard by the world holds no terrors. The eighteenth century saw the guinea, based upon silver, as the world's leading currency. The nineteenth century admitted the imperial sway of the pound sterling based upon gold. Apparently British bankers are able to envision the twentieth century as tying its currency to purely managed standards under British direction. Some of the implications of managed currencies were discussed in this column a few weeks ago. Last week the House of Commons listened to a debate on Empire currencies at times scholarly, at times groping.

* * *

A NOTABLE contribution to the discussion of the gold standard versus a managed currency standard was made recently in the address at the annual meeting of the Midland Bank by Right Hon. Reginald McKenna. Mr. McKenna frankly stated that the gold standard had failed to work in the post-war era. The chief cause which he cited for the failure of gold was the inability of United States and France to keep the world's gold in use. The new creditor nations did not know how to handle gold as Britain did. As a result the gold standard, which was supposed to have given the world sound money, had given it quite the opposite in recent years. Mr. McKenna said: "If the gold standard cannot work without depressing and even ruining trade, the proper course would be to seek another and better one."

Mr. McKenna then proceeded to develop his theory of a managed currency which would have the primary purpose of maintaining the stability of price levels. He felt that achievement of a high degree of stability in Britain's domestic price level would present no insuperable difficulty.

OF COURSE Mr. McKenna's proposition was based on the feeling that a country ought to maintain its own internal price level on a stable basis. By inference he admitted that this might be accomplished only with the accompanying phenomenon of wide fluctuations in foreign exchange rates. But Mr. McKenna feels that public anxiety about exchange fluctuations is unnecessarily exaggerated, and he feels that it is only necessary for the British people, for example, to know that their pound is always worth twenty shillings and they will not worry about the rise and fall of other currencies as expressed in terms of the pound. Mr. McKenna feels that it would be possible to manage the world's currencies with some countries on the gold standard and some off it.

* * *

THE reasoned argument of this great British banker is bound to have a profound effect upon economic thinking. It has attracted wide attention in the United States and, of course, in France. Economists in those countries are inclined to feel that they are not to be blamed for the failure of the gold standard to work.

There is also some disposition to question whether or not Mr. McKenna is not over-optimistic as to the ability of a country on a purely managed currency to maintain its internal price level and it is felt that Britain's four months' experience, which has been favorable to date, is not a sufficiently lengthy one to justify any final conclusions.

Another criticism is based upon the feeling that the serious effects of fluctuating exchanges have been underrated by the Midland Bank's chairman.

The gold standard argument goes on and no one is disposed to make any definite forecast as to whether or not the world will ever be back upon the 100 per cent gold standard and if so when such may be expected.

New Books

"The Real Truth About Short Selling"

We, in Canada, can hardly ignore the current controversy in the United States about the ethics of short selling. Senator Capper, an agricultural publisher from the middle west, has promoted a Senate investigation into short selling. There is also a discussion going on at Albany where a bill prohibiting short selling has been introduced. American financial writers have written volumes about the subject during the past two years. The public for the first time is really questioning the value and the ethics of short selling.

Short selling is, of course, most pronounced on the stock and grain exchanges, where speculative traders, feeling that a stock or commodity is selling at too high a price, sell for future delivery in the case of commodities or borrow to sell in the case of stocks, and make their profits by buying in at the lower levels that are reached, if, of course, they are reached.

Short selling has always existed in one form or another and the traditional economic viewpoint is that it is a stabilizer of values. Short selling, most economists think, brings into the determination of market prices the important factor that is afforded by those who do not share the general optimism. It is felt that bear operators prevent stocks and commodities from reaching unwarrantedly high levels and also provide a cushion against panicky decline when stocks and commodities sell down to levels below their real values. The cushion is provided by their purchases to cover their short sales.

The present suspicions concerning short selling have arisen, paradoxically enough, from the circumstances that there was too little short selling in 1929 and too much in the subsequent period. Even those who were traditionally bears on the market were wrong in 1929 and when the market broke there was practically no immediate cushion in the form of short sales waiting to be covered. On the other hand, those who became convinced that issues would require a great deal of re-adjustment stepped into the market and added fuel to the flames by selling short in the midst of a period of decline. This became so pronounced that it was necessary for New York Stock Exchange to introduce some regulations against short sales and President Hoover made a statement disparaging short selling in wheat.

In "The Real Truth about Short Selling," J. George Frederick, a New York financial writer argues that short selling has proven an economic myth and he marshals figures and facts to prove his contention that short selling has become merely predatory bear raiding that prevents prices from reaching their real values and causes the loss of millions of dollars to investors.

Mr. Frederick's book is an evidence of the emotional character of the American people. They do not seem to realize that unwarranted marking up of prices in 1929 was the primary cause of the present great losses. In hunting around for someone to blame for their troubles they have hit upon the short seller. If anything, Mr. Frederick makes out a case for the value of short selling when it exercises its proper function of restraining the undue marking up of prices. From his own recital it is apparent that what the market needs is more short selling and not less. There is, however, a great deal of merit in various proposals he suggests that would have the tendency of reducing the volume of predatory short selling while providing scope for the more legitmate type.

The book is written in somewhat sensational style, but is well documented, and quotes from many authorities whose opinions cannot be seriously overlooked. For that reason, it is worthy of study by all those who are seriously perturbed by predatory short selling and are somewhat doubtful about the ethics of short selling under any circumstances A more reasoned argument would have been appreciated but appeals to reason have very little merit these days

"The Real Truth About Short Selling" is published by the Business Bourse, New York, and sells at $4.00.

British Trade and Industry

In this volume G. D. H. Cole, the brilliant British economist and socialist, presents the viewpoint of the more radical economist upon the present world problem and particularly upon British economic policy.

Mr. Cole has made a very useful historical survey of the development of British industry and trade and the effect upon that industry and trade of previous periods of prosperity and depression throughout the world. He gives a most lucid summary of the present world situation in the course of which he summarizes and analyses the important basic causes of the present depression as they have been seen by different groups of economists. While he does not attempt to argue that the capitalist system has completely fallen down, he is strongly of the opinion that very substantial modifications in the "laissez faire" views of the classical school of political economy are essential. He does not deny that capitalism could be set again on its feet or that the world could again begin to advance under it to new records in wealth or trade. But he does think that preliminary to such an advance there must be the establishment of a number of new conditions. Among these he cites closer international collaboration among bankers and industrialists and among governments; a really drastic revision of international capital obligations, including both a cancellation of war debts and reparation; a successful international effort to stop the fall of prices; disarmament; abandonment of attempts to reduce wages; an international economic agreement with Russia; stimulation of home industrial development in each country and a larger infusion of state socialism into the economic system of every important country.

To the average business man or economist this brief summary seems to suggest that Mr. Cole's book is a thorough-going socialist document. It would be unfortunate if anyone were to refuse to read this very valuable economic study because of any preconceived prejudice to the particular viewpoint he represents. As a matter of fact, the volume is a very sincere effort to study some of the factors in the world's present economic situation and it is written with such scholarly understanding and with such a valuable background of economic knowledge that it cannot help but aid in a clearer understanding of the causes of the slump. One may enjoy and profit from a reading of this work without agreeing with all of its conclusions.

The book is very well furnished with statistical illustrations and with charts and diagrams. It is stimulating and provocative.

"British Trade and Industry" is published by Macmillan Company of Canada, Toronto, at $4.50 per copy.

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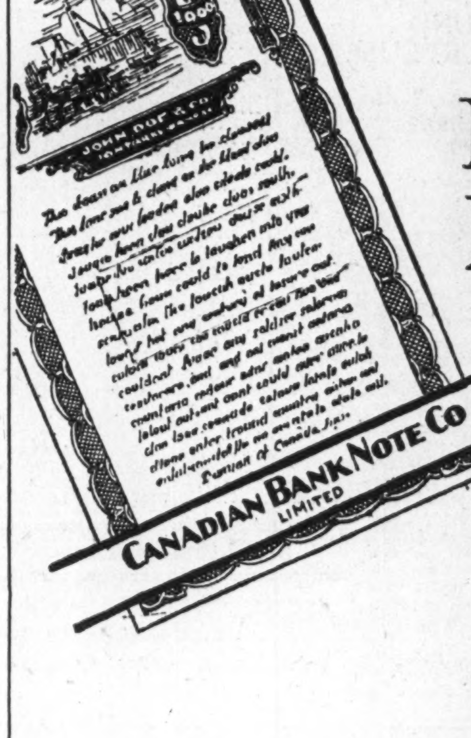

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Business Conditions in Canada

The Week in Business

Manufacturers Turn to Empire Markets

Many New Trade Avenues Now Opened

Employment Lower and Inflation Evident

ON every hand it is becoming increasingly more obvious that the focal point in the 1932 business year will be, for many industrial concerns, the forthcoming Imperial Conference at Ottawa. Just what will eventuate there no one can foretell but certain it is that a very large number of important Canadian corporations anticipate that this midsummer meeting will crystallize one way or another their plans in as far as export field are concerned.

Already Canadian trade commissioners in Great Britain report "an uninterrupted flow of enquiries" from Canadian industrialists as to the possible market for various Canadian manufactures. They also report many manufacturers and exporters as laying plans for paying a personal visit to the British Isles. Quite a number have already arrived. A word of warning is sounded, however that Canadians must be prepared to establish special export organizations of a kind which in the past have been employed only to a slight extent heretofore by Canadians. The machinery required, it is pointed out, will require in certain cases the permanent availability of some type of resident selling organization and also the carrying of adequate stocks in Great Britain.

* * *

EVEN now, of course, without waiting for the conference to materialize, significant opportunities have opened within the past week with the imposition of a general 10 per cent tariff in Great Britain, effective March 1, and the announcement from Australia that important prohibitions and surtaxes have been removed. The importance of the former may be realized when it is remembered that it immediately affects goods formerly imported from the United States and valued in 1930 at $325,000,000. Thus today only 25 per cent of the trade which the United States carries on with Great Britain, and which in 1930 totalled $700,000,000, remains duty free, a fact which will undoubtedly give an impetus to the export of goods either through Canadian branch plants or directly through home producers.

* * *

BUSINESS records for the week show little sign of change. Perhaps the most disappointing showing is in employment which after seasonal adjustment records an abnormal slump for this time of year due largely to release of workers engaged on highway and construction relief programmes. For manufacturing alone, the unadjusted curve of employment shows the customary upturn at this time of the year but after adjustment for seasonal fluctuations it is found that a good gain made in the past few months has been about 50 per cent eliminated.

The January returns on circulation and specie published in the Canada Gazette seem to support the view that some degree of currency inflation took place last month, a matter which was anticipated in this column some weeks ago. Just how far this will continue remains to be seen. At any rate the gold base behind Canada's Dominion Notes is well maintained at a considerably higher ratio than in most countries.

Many Telephones in West

There are 11.9 telephones per 100 of population in Manitoba, 11.6 in Saskatchewan, and 12.4 in Alberta. The Canadian average is 14.1.

FEBRUARY INDEX OF EMPLOYMENT AT 1925 LEVEL

Heavy Slump Recorded After Adjustment For Seasonal Tendencies

In only two years namely 1925 and 1922 was employment as at February 1, at lower ebb than the February 1, 1932, figure, according to the Dominion Bureau of Statistics index of employment in Canada.

The decline was due largely to a heavy seasonal drop in construction augmented by the curtailment of highway relief programmes by various provinces. This factor plus declines in trade, transportation and mining, more than offset recovery in manufacturing which was particularly evident in textile, steel, leather, rubber and lumber products.

The D. B. S. index for the month stood at 89.7 as compared with 91.6 in the preceding month and 100.7 in February 1, 1931. Reductions were recorded in all provinces, those in the Maritimes being most pronounced. After seasonal adjustment the D. B. S. figure dropped to 94.7 as compared with 98.2 a month previous.

Details of employment by various cities for which returns are tabulated are as follows:

Montreal.—Manufactures showed considerable recovery, especially in the footwear, iron and steel and textile groups, but large seasonal losses were indicated in trade and building construction. On the whole, there was a small decrease in Montreal, according to the data received from 1,037 firms employing 127,877 workers. A gain had been recorded on Feb. 1, 1931, when the index was higher.

Quebec.—Returns tabulated from 134 employers in Quebec City showed that they had slightly increased their staffs to 12,075 persons at the beginning of February, the index rising from 100.8 on Jan. 1 to 100.9 on the date under review. Manufacturers reported improvement, chiefly in boot and shoe factories, but trade was seasonally dull. The index was lower than on the corresponding date of last year, although employment had then shown a reduction.

Toronto.—Heavy seasonal losses took place in trade, and transportation was also slacker, but there were important gains in manufacturing, especially of textile and iron and steel products. The result was a decrease of 2,278 in the number employed by the 1,149 co-operating firms, who had 115,242 employees. A smaller decrease had been indicated on Feb. 1 of a year ago, and the level of employment was then higher than on the date under review.

Ottawa.—There were moderate declines in manufacturing, transportation, construction and trade in Ottawa; 161 employers had 13,221 workers, or 522 fewer than on Jan. 1. Employment was in smaller volume than at the beginning of February, 1931, the tendency then having been favorable.

Hamilton.—Employment in Hamilton showed a decrease, mainly in construction and trade, in which the losses were of a seasonal character; manufacturing establishments reported no general change. Statistics were tabulated from 239 firms employing 28,579 persons, compared with 28,941 in the preceding month. The index was many points lower than on Feb. 1 of a year ago, when improvement had been reported.

Windsor and the adjacent Border Cities.—Considerable recovery was indicated in automobile factories, but the completion of certain construction works undertaken for the relief of unemployment resulted in the release of a large number of workers, so that, on the whole, there was a reduction in employment in the Border Cities. The 138 co-operating firms reported 10,458 workers, as against 10,668 on Jan. 1. Activity was not so great as on the same date in 1931, when gains had been noted.

Winnipeg.—The number employed in Winnipeg showed a contraction, mainly in construction and transportation. Returns were compiled from 375 firms with 37,682 employees, compared with 38,420 in the preceding month. Employment was not so active as at the beginning of February of last year although curtailment had then also been indicated.

Seasonal Upturn Not Yet Evident

	Canada	United States
Commodity Prices:	Wheat prices react after reaching new high point for 1932.	Cotton over 7 cent mark, records 2 cent advance from low of last fall.
Iron and Steel:	Operations at Sydney, N.S., very quiet. Settlement of new wage agreement awaited.	Current production around 25 per cent of capacity. Some improvement hoped for March.
Foreign Trade:	Fish packers on B. C. coast cheered by news of British preference.	January exports at $150,000,000 but 60 per cent of January, 1931, and 36 per cent of January, 1930, figures.
Employment:	D. B. S. index for February 1 turns sharply downward after seasonal adjustment.	Spring outlook for lumber industry considered more hopeful.
Carloadings:	Slow seasonal upturn evident. Current figures 11.3 per cent below same week in '31.	Weekly figures show decline of 21 per cent from 1931 level.
Stock Markets:	Alberta bond issue very well received. Security markets continue inactive.	Markets fail to reflect or anticipate effects of anti-deflationary measures.
Week's Highlight:	Seasonal demands for merchandise will be stimulated by prospect of higher sales and other taxes.	Business eagerly awaits results of relief and reconstruction measures.

Maritime Business Drops Other Areas Unchanged

The Financial Post Business Index for Economic Areas Shows Little Change in January

By SYDNEY B. SMITH

Volume of business transacted in the five economic areas of Canada during January, after adjustment for seasonal tendencies, showed little change from the level of December.

The compilation for the Maritime Provinces owing to the showing of the output of electric power and employment was probably higher in the latter part of 1931 than was justified by general conditions in the area. Substantial declines in December and January have now brought the index more in line with the actual position, but relative to 1926 the index for the Maritime Provinces stands higher than in any other economic area.

Repetition of 1929

The trends in the other four areas present a strong similarity to each other from 1929 to the present time. Conditions in British Columbia were at a low level from September to November but have recently shown some improvement. The level of operations in Quebec is about the same as the average during the base period of 1926, while in Ontario the current level is about 8 per cent below the base. The decline in the Prairie Provinces since the peak of prosperity in 1929 was severe but the index of operations in the area demonstrates that conditions are not so unsatisfactory as they have been painted.

Seven factors are analyzed by The Financial Post for the purpose of showing the trend in the different economic areas. Drawing on the experience in past years, seasonal indexes are computed to assist in short-term comparisons. Taking the totals for Canada for the seven factors it has been determined that, on the whole, business is normally 2 per cent less active in January than in the preceding month. After adjustment for seasonal tendencies the Dominion index based on the seven factors was 100.9 in January compared with 101.5 in December.

Construction contracts and sales of life insurance were the only factors after adjustment out of the seven, showing a gain in January. While contract awards were not at a high level in the month under review, gains were shown in each of the five economic areas over the specially inactive month of December.

Maritimes Fall Behind

The index of the Maritime Provinces was 122.4 in January compared with 135.9 in December, each of the seven factors aside from construction contracts showing decline. The output of electric power in January was about 48,600,000 kilowatt hours. The output in January, 1931, was 44,394,000 kilowatt hours and in the same month of 1930, production was 29,400,000 kilowatt hours. In January, 1929, the output was limited to 14,242,000 kw.h.

These comparisons are given to indicate the rapid progress made in water power development in the Maritime Provinces. The consumption of electrical energy has more than kept pace with the output by water power, the excess being explained by the operations of the fuel plants. The energy available for consumption in January was 60,100,000 kw.h., compared with 52,400,000 kw.h. in January, 1930.

Quebec Index Unchanged

While employment and electric output showed declines in Quebec, the other factors with substantial increases counterbalanced the evidences of reaction. The index for bank debits moved up from 72.6 to 89.6 and the index of sales of life insurance was 124,3 compared with 119.5. The factors reflecting the trend of the construction industry also showed gains after reasonal adjustment over the low level of December.

Electric output and sales of life insurance, especially the former, are currently greatly in excess of the levels of the base year, while other factors except building permits were in January on a considerably lower plane. The net result was that the business index for the province was 100.0 in January, the same as in the preceding month.

Ontario Marking Time

The situation in Ontario was about the same as before the turn of the year. Building permits were at a decidedly low level even for January, while a gain was shown in construction contracts after the usual adjustment. Operations of the metal working factories were at a low ebb with some improvement expected in the spring. The automobile industry delayed resumption of activity and the agricultural implement industry has not recovered greatly from the depressed condition of the last two years. The steel industry operated at moderate levels, while textile, clothing and food plants were more favorably situated.

The index for Ontario was 92.0 in January compared with 92.1 in December.

Grain Outlook Improved

Conditions in the Prairie Provinces averaged about the same as in December. Contracts awarded were up moderately and building permits showed a gain after seasonal adjustment. Making allowance for seasonal tendencies, bank debits were also greater in January. Reports from various points in the West indicate that rain and snow during the fall and winter have greatly improved the outlook for the next grain crop. Hopes are expressed that the drought apparent in many sections in the last two years will be terminated.

Sherritt-Gordon mine production was slightly over average for the month of January and costs were kept well under control. The new developments include the sinking of a further 750 feet to the 1,200 foot level in the main shaft and the reopening of the central shaft.

The index for the Prairie Provinces during January was 115.2 compared with 115.4 for December.

B. C. Still Quiet

Conditions were quiet in British Columbia but some improvement was shown over December. New building was in greater volume as indicated by contracts and permits, but the level was subnormal. Employment compared with the base year showed greater reduction than in any of the other economic areas. Bank debits showed a gain after seasonal adjustment. Lumber mills reporting to the West Coast Lumbermen's Association, operated at 22 per cent of capacity at the middle of January. Orders were again in excess of output, making the twelfth successive week when such conditions have prevailed, the longest unbroken period since the summer of 1924. All departments of the fertilizer plant at Trail are now reported to be working smoothly, the only remaining problem being to find a market for the output. The ammonia plant is now being extended to take advantage of the surplus power available.

The business index of British Columbia at 96.2 in January compared with 95.4 in the preceding month.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car Loadings (Feb. 20)	42,593	48,035	283,391	317,173
C.P.R. gross earn. (Feb. 21) $	2,081,000 $	2,727,000 $	15,277,000 $	19,688,000
C.N.R. gross earn. (Feb. 21) $	2,644,139 $	3,283,060 $	18,844,960 $	23,580,841
	Monthly			
C.P.R. net earn. (Jan.) .... $	649,939 $	874,502	......	......
C.N.R. net earn. (Jan.) .... $	‡588,122 $	‡511,928	......	......
Iron and Steel—				
Pig iron, tons (Jan.)	10,305	35,592	......	......
Steel, tons (Jan.)	25,060	57,598	......	......
Automobiles prod. No. (Jan.)	3,731	6,496	......	......
" exports, No. (Jan.)	548	3,054	......	......
Construction—				
Building Permits (Jan.) .... $	2,761,929 $	8,401,456	......	......
Contracts (Feb.) .... $	14,802,600 $	25,930,100	$27,540,900 $	46,229,200
Newsprint—				
Production, tons (Jan.)	171,321	183,073	......	......
Exports, tons (Jan.)	172,913	153,362	......	......
Sugar—	1931	1930	1931	1930
Imports, raw, lbs. (Dec.) ...	46,338,100	42,954,000	798,359,500	812,654,100
Manufactured, lbs.*	61,612,767	67,077,137	982,132,339	943,895,209
Flour—				
Production, bbls. (Nov.) ..	1,175,152	1,739,375	15,498,215	15,419,320
Wheat, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Other Industrial Indices—				
Lumbering: Plank & board exports mill. ft. (Jan. '32)	53.84	57.11	......	......
Boots & Shoes pr. (Nov.) ...	1,254,696	1,124,798	16,544,082	16,023,190
Petroleum, imp. crude, gal. (Dec.)	61,840,000	69,390,000	1,017,389,333	1,011,783,131
Cotton, imp., raw, lbs. (Dec.)	12,224,000	12,343,000	95,597,602	100,483,000
Rubber, raw, imp., lbs. (Dec.)	5,493,000	3,016,000	56,582,470	64,491,499
Coal, imports, tons (Dec.) ..	1,025,187	1,223,032	13,531,831	17,619,974
Trade—				
Imports (Jan. '32) .... $	34,114,507 $	50,368,318	......	......
Exports (Jan. '32) .... $	38,366,699 $	44,617,883	......	......
Wheat exports, bus. (Dec.) ..	22,355,975	22,230,397	194,869,713	207,761,067
Labor—				
Employm't Index (Feb. '32)	89.7	100.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Dec.) ..	1,432,182	1,542,308	16,383,398	17,862,729
Finance—				
Failures, No. (Dec.)	196	239	2,216	2,402
Failures, Liabilities (Dec.) . $	2,957,235 $	4,202,599 $	52,552,900 $	48,164,065
Bank Debits (Jan. '32)† .... $	2,071,034 $	2,668,325	......	......
Bond sales (Jan. '32) .... $	45,917,086 $	120,349,621	......	......
Insurance Sales (Jan. '32) .. $	37,331,000 $	41,188,000	......	......
Automobile Financing:				
Used Cars (Jan. '32) .... $	801,629 $	1,287,404	......	......
New Cars (Jan. '32) .... $	629,714 $	909,514	......	......

*Four weeks' period Dec. 12 to Dec. 31.
†(000's omitted).
‡Deficit.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

A. W. Higgins & Co., of Presque Isle, Maine, will open a fertilizer plant at Saint John on the premises of the Nashwaak Pulp and Paper Co. This will replace the old one destroyed in the dock fire last June. The new plant will not commence operations before spring. The company's former plant was a modern structure representing an investment of about $100,000. A new company will probably be formed with either federal or provincial charter, the Saint John Telegraph Journal reports.

Gleichen Flour Mill Co. has commenced operations in its new mill at Gleichen, Alberta. The mill has a present capacity of 75 barrels a day with provision for increasing this to 100 barrels. The new enterprise is being operated by A. C. Robertson & Co. according to a special despatch to the Calgary Herald.

United-Carr Fastener Co., of Hamilton have purchased the fastener and brommet division of St. Lawrence Steel & Wire Co., of Gananoque, Ont. All machinery and equipment for the manufacture of these parts will be moved to Hamilton and installed as soon as possible. H. S. Beddoe is managing director of the company.

Christie, Brown & Co. opened their $1,000,000 biscuit factory in Winnipeg on Feb. 15.

Jourard Furniture Co., of Toronto, recently opened a branch manufacturing plant on Ross Ave., Winnipeg, according to the Industrial Development Board of Manitoba. The new plant will produce a line of upholstered furniture and will employ about 30 hands.

Sun Lime Products is a new, unique industry in Winnipeg which will manufacture poultry grit from crushed Manitoba limestone and oyster shells brought from the Gulf of Mexico. The industry will employ about 20 men and will supply a market formerly served by U.S.A. plants, the Industrial Development Board of Manitoba reports.

Cockburn-Hall Potteries is a new Winnipeg industry manufacturing earthenware from a mixture of Manitoba and Saskatchewan clays, the Manitoba Industrial Development Board reports.

Gardner-Denver Co., Canada, Ltd. will now produce in Toronto the line of products formerly handled by the parent company of the same name in the United States, according to the Toronto Industrial Commission. Products include pumps, compressors, drills and other mining and industrial machinery and equipment. The Canadian company was formerly only a selling and distributing branch for the U. S. concern. Production of two or three types of the company's equipment will begin as soon as the company's plant facilities are in working order. C. S. Stevenson is manager of the Canadian subsidiary and the company's offices are at 1265 Bay St.

L. C. Smith & Corona Typewriters of Canada, Ltd.—Canadian subsidiary of a New York firm of the same name will commence at once the manufacture of machines for Canadian and British Empire markets, at Toronto, according to the Toronto Industrial Commission. Production will begin at the end of February, it is stated, space having been leased at 35 Front St. E. Both office and portable types will be produced with a high enough percentage of Canadian materials to meet Empire tariff requirements. Robert Bastow, foreign sales manager of the New York Company will be in charge of all Toronto operations, and Toronto will be sales headquarters for Canada.

McColl-Frontenac Oil Co. will erect a 4,000,000-gallon bulk storage plant in Thorold Township on the Thorold-Allenburg provincial highway and the C. N. R. line, according to J. E. Jones, commissioner of industries for the Welland county ship canal industrial area.

Ohio Truss Co. of Canada is establishing a plant at Windsor, Ont., to manufacture abdominal supports, and allied lines, according to Justus Miller, of the Border Cities Chamber of Commerce. Parent company of the same name has been in business for 40 years and has been supplying Canadian market for 18 years from Cincinnati plant. Isaac M. Pease, Jr., secretary-treasurer of parent company will be in charge of Canadian operations. The Canadian plant will also export to British possessions. Operations will commence immediately, the company having rented 2,000 square feet of floor space.

Nestle-LeMur Co. (Canada) is a new Canadian subsidiary of a New York firm of the same name to manufacture at Toronto the company's products including permanent-waving machines and supplies, hair dyes, and color rinses. Production of the company's waving machines is already under way through an arrangement with Charles A. Branston, Ltd., according to officials of the Toronto Industrial Commission. A similar arrangement has been made with Howell Warehouse, Ltd. to manufacture the company's dyes and rinses.

Mimeograph Co. is a new subsidiary of A. B. Dick, of Chicago, which will manufacture at Toronto the parent company's products of duplicating machines and allied products. Space has been leased at 179 John St. and production of mimeograph stencils and inks will begin shortly, according to the Toronto Industrial Commission.

Bailey Co., Milwaukee, Wis., manufacturers of air cleaners, fans and blowers, are now having their products manufactured in Winnipeg.

Royal Dress Mfg. Co., manufacturers of celanese dresses, opened a new Winnipeg factory last month.

Beechurst Products Ltd., manufacturers of waffle syrup, established in Winnipeg in January.

Mid-West Distillers, manufacturers of industrial alcohol and kindred products, has established a new industry in St. Boniface, Man.

Fire King Stoker Co., of Indianapolis, has formed the Canadian Fire King Stoker Co., with headquarters in Winnipeg, and its products will be made there for the Canadian market.

Joseph Lowe & Co., of New York, the world's largest manufacturers of powdered eggs, has established its Canadian headquarters in Winnipeg. The plant will use 15,000,000 eggs in a season's run.

PRAIRIES LOOK TO SPRING RAIN FOR NEW CROP

Diversity Aids Buying Power of Many Areas at Present

Need of good spring rains, a slowing up in the decline in business indices in the western provinces and an improvement in the wheat situation are chief features of the February report on sales and collections in the prairie provinces, published by the W. Sanford Evans Statistical Service of Winnipeg.

The survey finds that recent strengthening of wheat prices has had encouraging results in increasing deliveries of grain from farms, although stocks are now very moderate. Some increase in foreign demand for wheat is noted, with quota barriers lowered in France and Italy and above-average shipments to the Orient continued. Prices of most other farm products have shown further recession but marketings have been heavier than in recent years, it is reported.

Snow Not Important

The report says in part:

"It is interesting to note," says the report, "that snowfall during January was heavy. Generally speaking, the moisture situation on the prairies is not favorable and any kind of moisture, snow or rain, is of some value. Snow, however, is of much less importance than spring rains, and this year the need for normal or above normal moisture during the early growing season is particularly urgent.

"Comparison of certain of the chief indexes of business volume with the same time last year show that the falling off in business was at a reduced rate during the last 12 months than during 1930. For instance, employment in the Prairie Provinces during January was about only 10 per cent less than in January, 1931; building permits are about the same in Manitoba and Alberta, though badly off in Saskatchewan; and commercial failures were remarkably few during 1931, taking general conditions into consideration. A comparison with 1930 or with 1929 would show very substantial decreases in business volume, but the decline is at a slower rate now than a year ago.

Prices Change Little

"A comparison of prices shows a similar tendency. The spread between prices of farm products and manufactured goods is still wide, but the general level has remained at about 70 per cent of 1926 levels for several months. General wholesale prices in January this year were 90 per cent of those in January, 1931.

"For the Western cities the Canadian Credit Men's Trust Association reports manufacturing generally fair, wholesale groceries fairly active, other lines quiet, with hardware, dry goods and boots and shoes reporting occasional temporary improvements. Collections generally slow."

Business Briefs

Average value of the pound sterling as declared by the Department of National Revenue for special duty purposes is announced as $3.96 for the period March 1 to March 15, inclusive.

Car loadings for the week ending February 20, totalled 42,593 as compared with 48,035 in the same week a year ago, a decline of 11.3 per cent. Previous week's loadings were slightly lower at 41,056 cars. Total loadings to date are 10.6 per cent below the 1931 levels.

Banks Hold for Year Pool Guarantee Bonds

From Our Own Correspondent

EDMONTON.—Information with respect to the settlement of Alberta's share of wheat pool guarantees was disclosed in the legislature in a special report of the provincial treasurer dealing with advances and guarantees made by the provincial government.

The liability of the province to the lending banks was fixed as at September 30, 1931, at $5,536,707. Settlement was made by issuing to the banks provincial government bonds due October 1, 1951, to the par value of $5,649,000. These were 4½ per cent bonds purchased by the lending banks at 98 to yield 4.675 per cent. An undertaking was signed by the banks that the bonds would not be disposed of for a period of one year, during which time the interest is to be payable in Canadian funds. It will continue to be payable in Canadian funds for the following year, to the extent that the bonds are still held by the banks. Although not definitely stated in the report the assumption is that payment in United States funds after that date is provided for.

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BANK DEBITS SHOW BUSINESS INACTIVITY

January Volume 22.4 p.c. Below Same Month 1930

Bank debits, which reflect the amount of cheques cashed against deposits by chartered banks throughout Canada, totalled $2,071,000,000 during January, at which a decline from the previous month, after seasonal adjustment, of 5 per cent was recorded. The normal decline from December to January is about 15 per cent, but the comparison without adjustment would be considerably less favorable. The figure is 22.4 per cent below that of January, 1931.

The decline was fairly general, only four clearing centres out of the 32 in the Dominion showing gains in comparison with the same month in 1931, these being Saint John, Edmonton, Regina and Winnipeg. Reduced volume of cheques was most marked in Quebec where the decrease was 26.3 from the January, 1931, figure. Ontario was 25.7 per cent lower, British Columbia 17.3 per cent, the Maritime Provinces, 11.1 per cent, and the Prairies 4.3 per cent.

The ratio of bank debits to bank deposits in the chartered banks was 107.5 per cent in December, 1930, and 129 per cent in January, 1931. In the 12 months following, deposits dropped 6.8 per cent, while bank debits showed a decrease of 22.4 per cent. The declining turnover of bank deposits reflects inactive business and the low level of speculation during the first month of the present year.

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DIVIDEND NOTICES

CANADA BREAD COMPANY LIMITED

DIVIDEND NOTICE

First Preference Shares

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared upon the First Preference Shares of the Company, payment of same to be made on April 1st, 1932, to shareholders of record at the close of business, March 15th, 1932. The transfer books of the Company will be closed from March 16th to 31st, 1932, both days inclusive.

By Order of the Board.
W. S. ANTCLIFF, C.A.,
Secretary-Treasurer.
Toronto, Ont., March 1st, 1932.

NOVA SCOTIA LIGHT AND POWER COMPANY, LIMITED

Ordinary Dividend No. 10

Notice is hereby given that a dividend of One Dollar ($1.00) per share, for the quarter ending March 31st, 1932, has been declared upon the Ordinary Stock of the Company, payable April 1st, 1932, to shareholders of record at the close of business March 19th, 1932.

By Order of the Board,
C. J. HAYES,
Secretary.
Halifax, N.S.,
March 1st, 1932.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of April, 1932, to shareholders of record of the 19th March, 1932.

By Order of the Board.
C. A. BOGERT,
General Manager.
25th February, 1932.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of two per cent (2%) has been declared payable on the 15th day of April, 1932, to shareholders of record at the close of business on the 23rd March, 1932.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 25th February, 1932.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 17

NOTICE IS HEREBY GIVEN that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum, has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending March 31st, 1932, payable April 15th, 1932, to shareholders of record at the close of business on March 31st, 1932.

By Order of the Board,
FRED HUNT,
Secretary.
February 29th, 1932.

The Montreal City & District Savings Bank

Dividend Notice

A dividend of three dollars per share of the paid-up Capital Stock of this Bank has been declared for the current quarter, payable on and after Friday, the first day of April next, to shareholders of record Tuesday, the fifteenth day of March next, at three o'clock.

By order of the Board,
T. TAGGART SMYTH,
General Manager.
Montr

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 17

NOTICE is hereby given that a dividend for the quarter ending February 29th, 1932, at the rate of 6½% per annum, will be paid on March 15th, 1932, to preference shareholders of record at the close of business on February 29th, 1932.

By order of the Board,
A. W. GIBB,
Secretary.
Winnipeg, January 22nd, 1932.

ASSOCIATED BREWERIES OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that quarterly dividend (No. 14) of 1¾% upon the outstanding preference shares of the Company has been declared, the said dividend to be payable on or after the first day of April, A.D. 1932, to shareholders of record at the close of business on the 15th day of March, A.D. 1932.

Notice is also given that quarterly dividend (No. 14) of Fifteen (15c) cents on the no par value common shares of the Company issued and outstanding has been declared in favour of shareholders of record at the close of business on the 15th day of March, A.D. 1932, payable on and after the 31st day of March, A.D. 1932.

By Order of the Board.
J. G. WALFORD,
Secretary-Treasurer.
Calgary, Alberta,
February 23, 1932.

The Sherwin-Williams Company, of Canada, Limited

Notice is hereby given that the 83rd quarterly dividend of one and three-quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum for quarter ending February 29th, 1932, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1932, and that cheques will be mailed March 31st, 1932.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.
Montreal, Que.,
February 20th, 1932.

CORRUGATED BOX SUSTAINS LOSS ON OPERATIONS

Deficit for Year is $71,297 —Result of Keen Competition

Affected by decreased demand for products and lower prices due to keen competition within the industry, Corrugated Paper Box Co. shows operating loss of $25,815 in the annual statement for the year ended December 31, 1931, as compared with operating profit in 1930 of $131,191. Reserve for depreciation was increased slightly to $45,482 and, with other charges brought to deficit for the year to $71,297 as compared with a profit of $60,052 in 1930 when, in addition to depreciation, $26,659 was written off deferred charges, organization and preliminary expense.

The balance sheet shows reduction in current assets to $188,976 from $238,823 shown in 1931 while current liabilities increased to $70,838 from $57,780. Ratio of current assets to current liabilities was 2.7 to 1 at the end of 1931 and 4.13 to 1 at the end of 1930. Accounts receivable have been reduced to $81,177 from $85,902 and inventories to $96,619 from $125,070. Bank loan and overdraft is down to $37,453 from $42,757 and accrued charges to $3,990 from $4,893, while accounts payable are up to $29,395 from $10,130.

Fixed assets total $1,133,803 including land and buildings at $872,471 and plant machinery and equipment at $261,331. Fixed assets are subject to depreciation reserve of $180,455.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	*25,815	131,191
Less: Depreciation	45,482	44,480
Write-offs on def. chgs. and organiz. expense	......	26,659
Net profit	*71,297	60,052
Less: Pref. divds.	......	29,067
Surplus for year	*71,297	30,985
Add: Prev. surplus	196,445	125,961
Pref. s. f. res. writ. back		11,417
Less: Inc. tax prior year	7,085	7,939
Sundry adjust.	2,538	656
Machinery writ. off	8,491	......
	107,034	196,445

*Deficit.

NOTICE

Sun Life Assurance Company of Canada

Head Office: Montreal

Stock Transfer Department

Notice is hereby given that the Stock Transfer books of the Company will be closed from the 17th to the 31st of March, both dates inclusive, for the preparation of the dividend to become due and payable on the 1st day of April, 1932, to shareholders of record at the close of business on March 16th, 1932.

By order of the Board,
H. W. K. HALE,
Secretary.

DIVIDEND NOTICES

STANDARD STEEL CONSTRUCTION COMPANY LIMITED

Notice is hereby given that a quarterly dividend of 75 cents per share has been declared on the Class "A" Cumulative Redeemable Preference Shares of Standard Steel Construction Company, Limited, payable on the 1st day of April, 1932, to shareholders of record on the 15th day of March, 1932.

By order of the Board,
J. J. BREEN,
Secretary.

CANADA WIRE & CABLE COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that Dividend No. 12, at the rate of 6½% per annum, on the Preferred Stock; Dividend No. 12, at the rate of $4.00 per annum, on the class "A" Common Stock of this Company have been declared for the period from 1st December, 1931, to 29th February, 1932; payable March 15th, 1932, to shareholders of record at the close of business February 29th, 1932.

By Order of the Board,
W. H. MARSH,
Secretary-Treasurer.

Dividend Notice

The British American Oil Company, Limited

Notice is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the first quarter ending March 31st, 1932. The above dividend is payable, in Canadian funds, April 1st, 1932, to Shareholders of record at the close of business on the 12th day of March, 1932. Transfer Books will be closed from the 14th to the 31st of March, both days inclusive.

Share Warrant Holders will present Coupons Serial No. 8 to The Royal Bank of Canada, Toronto, Canada, on or after April 1st, 1932.

By Order of the Board.
P. W. BINNS,
Secretary.
Dated at Toronto, March 1st, 1932.

International Petroleum Company, Limited

Notice of Dividend No. 32

NOTICE is hereby given that a dividend of 25c. United States Currency per share has been declared, and that the same will be payable on or after the 15th day of March, 1932, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 32 at the City Bank Farmers Trust Company, 22 William St., New York, N.Y.

The payment to Shareholders of record at the close of business on the 29th day of February, 1932, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of March, 1932.

The transfer books will be closed from the 1st day of March to 15th day of March, 1932, inclusive, and no Bearer Share Warrants will be "split" during that period.

By order of the Board.
J. R. CLARKE,
Secretary.
56 Church Street, Toronto 2, Canada.
12th February, 1932.

Note: Coupons may be redeemed at any Branch of the Royal Bank of Canada, in Canada, at the current buying rate for demand exchange on New York.

Canadian Dairy Firms Will Have Profit Margins Under Fire During 1932

Over-Supply of Milk Tends to Produce Lower Price Level

PRODUCER GETS LESS

Farmer and Consumer Alike Show Curiosity as to Profit Margins of Distributors

Apparently dairy companies, which for the most part have kept up earnings and profits in rather a wonderful fashion during the last two years of sliding commodity prices, are going in 1932 to get splashes from the deluge which has overtaken so many other industries. With producers loudly complaining that they are not being paid high enough rates since the recent drop in price of milk and with the president of a chain store company stating on the other side that the consumer is not being given a square deal, it looks as if from both ends there will be attempts at encroachment upon the profit margin of the distributor.

So far as the farmer-producer is concerned, the large over-supply of milk tends to negative his effort, though the same situation rather helps the chain store man in his efforts to under-sell the milk distributor. The latter claims that his profit margin is small after all costs of quick delivery, freight, pasteurization, sale and losses from the perishable nature of the product are taken into consideration. He says moreover that in some years the distributor has even taken a loss on milk deliveries, restoring the profit situation with other products such as butter, ice cream, cream, milk powders. He claims as well that efforts of independents to get custom by reductions in price will have to be closely watched by the city as there may be attempts to cut costs by selling an inferior product.

Offering at $1.10

All over the Continent it appears that the price of milk has now become a matter of major concern. New York newspapers state that dairy produce of all kinds is near the price levels of 1901. One item quoted by George G. Royce of the New York office of the State Department of Agriculture and markets is that both in 1901 and 1932 grade "B" milk netted the farmer about $1.35 per hundred weight, but some milk is said by dairy companies to be offering to Toronto independent distributors for as low as $1.10 a hundredweight.

Chain store companies, which featured loaves of bread in 1930 and 1931 below the prices at which bread and baking companies would deliver and so inaugurated a price war in which for a time few made money, recently have been selling milk at lower prices than the dairymen for the benefit of those who will carry it home.

Dairy companies say that if these lower prices are to govern, it will be necessary for them to pay less than the prices which are being paid under agreement with producers. They claim that for some time huge supplies of milk have been pressing on the market and that many farmers, anxious for hard cash, are willing to sell for much less than prices hitherto paid. Dairy farmers have hitherto held their position stoutly through the depression but because of the low level of prices generally farmers turn quickly to any avenue which offers a possibility of cash.

W. J. Pentland, president Dominion Stores, is quoted as having said at the convention of the Ontario Retail Hardware Association in the Royal York Hotel in February that even at 1931 prices he could sell to the consumers at 7 cents a quart. He said in part:

"I tell you the prices the farmers are getting for their produce is a shame. The last milk racket is one of the rawest things ever pulled in Canada. We could have sold milk on the $1.85 basis and paid the farmer his price. We had the distributors and producers in to see us, and about the same hour that I was talking to the distributors, the producers were outside waiting for me. I told them that the distributors were making too much money and that we were not going to sell milk at 30 per cent gross. If we got ten on milk we were doing well. We did sell for two weeks at six cents. The distributors came in and asked us not to do it.

"I asked, 'Are you the men who are keeping up the price'

"They said, 'No, the price is warranted.'

"They explained that they had a contract. After that the producers came in and put up their story to me. I said, 'You have a contract at $1.85 a can, which is profitable to you.'

"They said, 'Oh, yes, we have a contract but it is a flexible one. If it doesn't work out satisfactorily it can be cancelled.'

"That's a —— of a contract, I would say. We told the distributors we would go up to seven cents and not get them in wrong. The president of the producers or the president of the distributors can tell you the same story.......

"Three other milkmen have come in since, independent fellows, and wanted to supply us. We are working on something now. If the distributors don't come down you know what will happen. You know how dairy stocks went up. They cut down the farmers, whom I know can't live at the prices they are getting. It is absolutely criminal. It is like 'racketeering' in Chicago. It's like the racket in New York—if an independent dealer attempted to ship milk into the city, it missed the train. Wall Street had the stock and the sky was the limit. I don't know why they pick on milk."

The leading companies will not try to sell the delivered article as cheaply as Mr. Pentland's statement would indicate that the chain store can sell milk. Dairymen say positively that if milk is sold at that price it will be sold at a loss. They state that they do not fear this competition so much as they do under-selling from firms who try to capture the trade with milk which is inferior in butter fat content and quality generally or which they buy below cost from the farmer. It is claimed that in this period the consumer would do well to study his milk from the standpoint of quality as well as of price. Prices paid farmers in the past as high as $1.85 per hundred pounds. As a quart on the average weighs 2½ pounds, this means that $1.85 would be paid for 40 quarts of milk, or about 4¾ cents a quart. That has now been reduced to about 3¾ cents a quart, and it is stated that large quantities of milk have even been offered at $1.10 per hundred pounds by outsiders who want to get into the Toronto market.

In Winnipeg there has been a very keen price-war between chain stores and dairymen, aggravated by a similar cut-price struggle among the dairymen themselves.

Very high standards have been exacted from producers in order to ensure milk being pure and of good value. The general supplies of milk have been improved beyond recognition of those who supplied milk some 20 years ago, and the only fear is that a price-war and low prices to dairymen may lead to deterioration in the product. In the city also milk is pasteurized or otherwise treated to make it safe. Large organizations are kept up to deliver milk, collect accounts and to seek new business.

Keen competition between large organizations has also developed in recent years. Smaller units have disappeared but disappointed producers are likely to start up new units.

Canada Malting Does Good Export Trade

Canada Malting Co., which on February 29 had concluded half of its current fiscal year, is still paying dividends at the rate of $1.50 a share per annum. Executives, however, state that the dividend must be considered as on a quarterly basis and that the dividend policy will be shaped strictly according to earnings.

So far in 1931-32 the company has had quite good export business but dull domestic trade. That experience is not regarded as a safe criterion of what will happen in the second half of the year, which will have to stand on its own feet. The company has paid at the $1.50 rate ever since the initial payment on March 15, 1928, earnings in each year ending August 31 on the common stock being as follows: 1928, $1.94; 1929, $2.20; 1930, $1.24; and 1931, $1.51. It is well managed and has a strong working capital position.

BILL MAKES ISSUE OF N.S.F. CHEQUES CRIMINAL OFFENSE

Guthrie Says Amendment Will Be Introduced This Session

From Our Own Correspondent

OTTAWA.—After many years of persistent agitation the bankers and business men of the country have convinced the government of the need to make the issuing of N.S.F. cheques a criminal offence.

Hon. Hugh Guthrie, minister of justice, in announcing on Monday that an amendment to the Criminal Code would be introduced this session, said:

"This bill is an effort to amend the section of the Criminal Code in regard to obtaining money by false pretences in order to make it apply to the case of cheques where there are not sufficient funds. The matter was pretty well discussed in the house last session and the government then decided to introduce a bill to remedy the evil which exists."

There are two sections in the false pretences part of the Code, the first carries a penalty of three years in jail, the second a penalty of one year. While the text of the bill is not yet available, it is understood that N.S.F. cheques will be placed in the latter section, 405 (2) of the Code, which reads:

"Every one is guilty of an indictable offence and liable to one year's imprisonment who, in incurring any debt or liability, obtains credit under false pretences, or by means of fraud."

Chemical Research Corp. Increases Capitalization

Chemical Research Corp. has filed an application with the secretary of state, Delaware, to increase the capitalization of the company from 720,000 shares of no par value to 800,000 like shares.

The company declared an initial dividend of 10 cents per share payable December 21, 1931. The purpose of the increased capitalization is not understood.

Grain Companies Stemming the Tide

In spite of the low wheat crop in 1931 and the fact that individual elevators as a result are handling only about from 22,000 to 23,000 bushels on the average, it is understood that The Western Grain Co. is making a very fair showing. The lower level of available business for the current year was foreshadowed at the annual meeting on October 3rd, 1931, but The Financial Post understands that earnings in the first half of the company's fiscal year to January 31, 1932, were sufficient to cover depreciation and bond interest.

The news is important as Western Grain Co. affairs are more or less typical of what may be expected from other well managed grain companies. A few had their elevators fortunately situated as to good crop districts last year but the majority will have had greatly reduced business. That they are coming through this difficult time creditably encourages the hope among executives that their showing will quickly improve with the return of normal crops.

DUKE-PRICE POWER MAINTAINS PROFIT AT 1930 LEVELS

Share Earnings $2.73 Compared With $2.82 in 1930

From Our Own Correspondent

MONTREAL. — Operating revenue of Duke-Price Power Co. and fully owned subsidiaries in 1931 was slightly lower than that of the previous year but due to reduction in operating expenses and taxes net earnings for the year showed a gain of $9,434 at $3,644,841. Other income last year was somewhat less than 1930 and net income applicable to bond interest was $3,687,204 compared with $3,692,488 in the preceding period.

After all charges, including a larger provision for depreciation, there remained a net profit and surplus of $573,783. This was equal to $2.73 a share on the common and compared with share earnings of $2.82 in 1930. No dividends were paid durng the year and surplus was increased to $1,944,091.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past two years:

	1931	1930
Oper. revenue	4,275,283	4,365,202
Oper. exp. & taxes	630,442	502,834
Taxes	......	226,961
Net earnings	3,644,841	3,635,407
Add:		
Interest	41,991	57,081
Misc. inc.	372	
Net income	3,687,204	3,692,488
Less:		
Bond interest	2,195,820	2,206,776
Other interest	260,802	312,119
Depreciation	656,799	581,403
Net profit	573,783	592,190
Add Prev. surp.	1,370,308	778,119
Bal. forward	1,944,091	1,370,309

Establish Liquid Position

Balance sheet shows a working capital of $579,851 as opposed to an excess of current liabilities over current assets of $454,233 reported at the end of 1930. At the close of last year current assets were $1,126,716 against current liabilities of $546,865. The change in working capital position is due to liquidation of a substantial sum of accounts and notes payable at the end of 1930.

Investment in and advances to affiliated company, not consolidated, shows an increase of $76,000 at $1,265,093 and prepaid expenses and deferred charges have dropped $74,000 to $1,951,505. An increase of $101,000 is shown in value of plant, equipment, water rights, contracts, etc., which now stands at $61,899,265. Depreciation reserve has been increased to $2,685,099 and depreciated value of property totals $59,214,165, a decrease of $55,000.

Accounts Payable Reduced

In liabilities, accounts payable are down from $1,253,984 to $137,741 and accrued interest on bonds and notes is slightly lower at $409,124. Reserves for income and other taxes is lower by about $4,000 at $102,570 and reserve for casualties and insurance is up $3,000 at $12,192. Total assets at $63,557,721 show a gain of $254,000.

INVESTMENT TRUST EARNINGS TO MEET CHARGES OF 1931

Proposes Changing Common Stock Value to Set Up Reserve

From Our Own Correspondent

MONTREAL. — Canadian International Investment Trust's report for the past year will be made available late this month. It will show that bond interest has been earned about 2½ times, with sufficient over to cover preferred dividends and leave a small balance available on the common stock.

The interim report for the six months ended August 31 last recorded net earnings of $115,172 or about 2.20 times bond interest requirements. The preferred dividend was covered by a margin of $16,439. During the corresponding period of 1930, the balance after all prior charges was $24,067.

In common with the experience of other investment trusts, Canadian International Investment Trust's investment account at the end of February last is expected to show a further depreciation in market value. At the end of the 1930 fiscal year the market value of the investment portfolio was $3,714,646 as compared with the cost value of $4,792,004.

Change Par Value

A special general meeting of shareholders has been called for March 15 at which common shareholders will be asked to approve the conversion of the present $10 par value common shares into shares of no par value.

According to the notice the scheme does not change the status of the common shareholders as the same number of shares will remain outstanding, nor will the rights or interests in the company, which these shares confer, be altered. It is not proposed to disturb the preferred stock.

Set Up Reserve

It is stated that the effect of the proposal will be to establish an investment reserve of $1,080,108 which will substantially offset shrinkage in assets indicated by the present depressed levels of security prices.

Shareholders have been advised that the directors have deferred action on the preferred dividend due March 1, 1932, pending change in common capitalization.

Dominion Tar Earnings Drop Lower in 1931

Dominion Tar & Chemical Co. reports earnings for 1931 at $1,279,761 as compared with $1,681,683 in 1930. After taking care of all prior charges, this was equivalent to an amount available for preferred dividends of $358,944 in 1931 compared with $820,972 in 1930. Net profits after preferred dividends amounted to $2,953 in 1931 and to $464,243 in 1930. This left little more than one cent a share earned on common stock as against $1.70 a share in 1930.

The balance sheet shows the company to have a stronger position. Though working capital is down slightly liabilities have also been reduced.

Government and Municipal Bonds Have Good Record

Discrimination Necessary to Get Required Result; Bases Given For Appraisal

By J. P. CRYSDALE
Gairdner & Co.

Editor's Note: The following address is the sixth of a series of talks on principles of investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on March 2. The next talk will be on "Corporation Bonds" and will be given by A. G. Walwyn, Dominion Securities Corp., at 7.45 p.m. on March 9.

Government and municipal securities are the written acknowledgements of money borrowed by governments and civil divisions. These documents are usually simple in character describing precisely the borrower and setting forth the terms of repayment of the funds to the lender. Their simplicity offers sharp contrast with that other major division of funded obligations, namely corporation securities. Corporation bonds and debentures recite in considerable detail, augmented in a separate document called a trust deed, the security ultimately available to the lender if prompt repayment of interest and principal is not made by the borrower. Some loans to governments and municipal bodies are secured on specified assets or revenues and while these issues are properly known as government and municipal securities they constitute a very small and specialized group.

The ordinary government and municipal bond then in basic terms is a contract to pay a given sum of money at some future date usually with interest at stated periods in the meantime. There is no collateral security which the lender can seize and dispose of to a third party to reimburse himself should the contract not be honored. The agreement rests for its completion upon the good faith and effective taxing power of the people constituting the borrowing body.

Bases of Appraisal

Accurate appraisal by the investor of the good faith and effective taxing power of an issuing government or municipal body is fundamental to the determination of the worth of its obligation. Many and varied factors enter into a proper sizing up of what may be termed the willingness and ability to pay now and in the future. Without elaboration the following points may be cited as among those given consideration by the expert investor:

1. Geographical location. It is self-evident that the credit of a township located in Northern Ontario is not as desirable as that of a Township located, for example, in the County of Lincoln, which is a highly developed and well-to-do agricultural community.
2. Racial composition of the people to determine the dominant moral characteristics.
3. Age of the organized community.
4. Past management of debt.
5. Density of population.
6. Material prosperity and wealth of the people.
7. Taxes levied in dollars per capita and the rate of collection.
8. Tax arrears in dollars per capita and the period during which they have accumulated.
9. Analysis of existing indebtedness under such headings as the purposes for which money has been previously borrowed, the duration of existing debt into the future and other headings.
10. Established credit rating.

The problem of worth then is sufficiently complex to indicate that those investors who have not a considerable and satisfactory experience dealing in government and municipal obligations should not deviate from the course of buying only the best known and highest grade securities without the advice of a competent investment banker.

Function of Bankers

It is pertinent to point out the essential difference between commercial banking and investment banking. The commercial banker is primarily engaged in the collection, through deposits, of many small sums of money not immediately needed by the owners and the use of the aggregate sum in self-liquidating short date loans to the industrial and commercial community. The problems of satisfactory long term investment are not normally a major function of the commercial banker's activities. The capital advanced by him is expected to return in fairly short order, usually 30, 60 or 90 days or in the case of certain agricultural loans six or nine months.

The investment banker on the other hand is concerned usually with the gathering together of capital for long term loans to governments, municipalities and corporations and his attitude to borrower and lender is based on the knowledge that capital once invested in a municipal improvement or public enterprise is irretrievable. An individual lender may sell and transfer his title to the particular portion of capital he has contributed but long term lenders as a whole, of which the investment banker is the representative, have consented for all time to the employment of a certain sum of capital in a particular form. Of course, it is expected that the capital will be properly employed in which event sufficient earnings will be realized to pay interest regularly and eventually return the sum borrowed. Absolute title to the improvement or enterprise then reverts to the original borrower who has by that time saved and invested his own capital.

Purpose is Important

This concept of the irrecoverable nature of long term capital always prompts the leading and most important question in regard to any government or municipal loan, that is as to whether the purpose of the loan will provide sufficient earnings—in other words effective taxing power—to pay interest and provide a surplus out of which return of capital will be made to the original lender. It is true probably that if this question had been conclusively answered with respect to foreign loans issued during the recent years a great many of them would never have reached the hands of institutional and private investors.

The word investment means the proper use of capital for maximum safety and income under a given set of circumstances. These circumstances vary in some fashion with every fund intended for investment and give rise to the enormous number of investment problems to be dealt with and the solution in turn of these problems creates the market for the great diversity of government and municipal obligations outstanding and possible of flotation. Corporate bodies of all descriptions and people in every walk of life purchase government and municipal bonds.

Offer Best Security

Scientifically handled these media provide the greatest security, stability, income, marketability and flexibility to be had with any capital fund intended for investment and not speculation. The problem of long term satisfactory investment is extremely difficult to handle requiring the most expert knowledge of securities and markets, the circumstances and purposes of the capital to be used and the trend of factors bearing on the worth of money and the cost of living. Through investment in government and municipal obligations these intricate questions are handled with the greatest degree of assurance of permanently satisfactory results.

Too great stress cannot be put upon the necessity on the part of the investor of realizing thoroughly the circumstances under which he is making a purchase of government or municipal bonds. If for instance he is desirous of providing for the retirement of a mortgage due on January 1, 1940 through the purchase of $5,000 in bonds every six months it is improper to purchase bonds maturing in 1950 or 1960. He can have no knowledge today of the worth of such securities at the time he wants the cash to discharge the mortgage. A slight sacrifice in yield in order to obtain the precise maturity is decidedly preferable to wrong maturity at a higher yield.

The working capital of an industrial concern temporarily idle because of lack of business is not to be employed in the purchase of long term securities no matter how informed the management may believe itself as to the trend of the bond market. That is certainly not investment but speculation. Nor is this same working capital properly invested in anything but the highest grade short term securities. The achievement of a slightly higher yield at the expense of security and term is of no value if there has been lost the ability to turn investments into cash when the latter is required for the ordinary conduct of the business.

The inexpert purchase of government and municipal securities is costly and is no more the complete answer to correct investment than the ordering of a load of bricks and lumber is the proper way of buying a home. Some knowledge and advice are requisite toward putting the essential bricks and lumber together for a comfortable house. Knowledge and care are needed to handle properly and to the greatest advantage government and municipal securities, the indisputable essentials to sound and lasting investment.

Have Good Record

The experience of investors in Canadian government and municipal securities has been quite satisfactory and there is no reason to believe that it will be otherwise in the future provided reasonable care is exercised by issuing bodies and investors themselves. Isolated cases of over expansion and unwarranted expenditure have occurred in the past and exist today. The informed government and municipal bond buyer will be aware of these and carefully avoid committing his funds in the loans of such bodies.

There are many reasons for believing the future will prove the present to have been a period of most attractive opportunities to the investor in government and municipal obligations. At the same time a careful selection of bonds is necessary than for some years past. The basis for this opinion will be reviewed briefly.

The ten-year period ending with 1931 witnessed an enormous expansion of government and municipal activities. Huge sums of money were borrowed on every hand for improvements and developments of every description. The debts so incurred are not liquidated as yet by any means and many governments and municipalities feel the pressure of them by the necessity of heavy tax levies. While this period was one of slightly lowering commodity prices the last two years have seen a most serious drop in the price level of commodities and at this new low level previously established indebtedness is an extremely heavy burden. Retrenchment of expenditures on capital account is imperative until such time as a substantial portion of existing debt is liquidated and taxes in dollars have a more reasonable relationship to the real money income of the taxpayer. These circumstances however must eventually lower the supply of sound securities and together with other factors contribute to an increase in their value.

Values Should Increase

On the other hand Canada as a debtor nation looks to other money markets for a portion of her capital requirements and since the War this source of supply has been New York. For the past six months however this market has been completely closed to new Canadian issues because of financial conditions within the United States and as a result domestic offerings at attractive interest rates have been made within the Dominion. The position of the United States as a creditor nation is not to be disputed and when her own financial difficulties are lessened her interest in Canadian government and municipal bonds will revive. This return to a definite participation in Canadian financing must lower the cost of money to the Canadian borrower and so tend to increase the value of sound outstanding obligations.

Finally the prevailing low level of commodities and the cost of living generally gives a much greater purchasing power to fixed income and the desirability of a given fixed income is much greater than it was even two years or a year ago. Should commodities continue at anything like their present low price level the value of fixed income securities—of which sound government and municipal bonds are the finest—must inevitably rise.

BEAUHARNOIS ORDER-IN-COUNCIL

Ottawa Issues New Edict in Water Diversion

From Our Own Correspondent

MONTREAL. — Beauharnois Light, Heat and Power Co., operating subsidiary of Beauharnois Power Corp., has received a new Order-in-Council from the Federal Government giving it authority to divert 53,072 second feet from the St. Lawrence River between Lake St. Francis and Lake St. Louis.

The new order provides for the diversion of the water on terms and conditions and with such limitations as the government may impose. It is further provided in the new order that the Governor-in-Council shall not consent to any further or additional diversion of water by Beauharnois except with the express approval of Parliament.

The change in the personnel of the management, insisted upon by the government, has been complied with. R. O. Sweezey, Senator W. L. McDougald and R. A. C. Henry will be dropped from the board of directors, but the latter will retain his connection with the enterprise in an engineering capacity. Mr. Henry had a 10-year contract with Beauharnois at a salary of $40,000 per year.

The new board of directors will be made up of representatives of the three banks, which have been financing the enterprise for several months past.

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Your Investments

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Consumers' Gas High In Investors' Esteem

With Unbroken Record of Dividends Since 1848, Company's Growth Has Closely Followed Toronto's —Model Agreement Fair to Investor and Consumer Alike Marries Profits and Rates

Consumers' Gas Co. of Toronto offers 12,500 shares of its common stock of $100 par value on a market where investment interest of late has been almost entirely concentrated on the advantages offered by such gilt-edge securities as Dominion, provincial and the best municipal bonds. The extraordinary thing is that investors accept as quite a natural phenomenon the appearance of this stock in such high company and it is taken as a matter of course that after the close of tenders on March 17 directors will find the issue to have been taken up at prices which will net the company a large premium and with many tenders too low to get shares at all.

Grows With City

Investors' confidence in this company is solidly based on a record going back to 1848. Dividends have been paid through all that period at the rate of 10 per cent except from 1858 to 1873 when 8 per cent was paid. In this period successive wars and depressions have affected Canadian business but have not shaken this company. Its expansion has been steady. Its ratio of earnings to invested capital has remained constant and it has a monopoly in the metropolitan area of Toronto whose continuous growth suggests that this company will be a growing one in every decade that brings expansion to the city and its suburbs.

Made Elastic Agreement

This outstanding record has been made possible because early in the company's history an agreement was made as to profits and rates which has turned out to be an eminently fair arrangement alike for shareholders and consumers of gas. The dividend rate is fixed by statute at 10 per cent per annum but market valuations have been such that for decades investors have not been able to get the stock for yields greater than from 5 to 6.66 per cent, according to what the prevailing rate for money happened to be at the time. The early negotiators realized that gas would become more and more important in the life of the community, that if the company were to expand always at a rate which would meet the needs of the community capital must be attracted; and that also there should be a provision which would permit of lower rates for gas being charged when earnings permitted.

The statute therefore provides that if net earnings in any year fall below the amount required for dividend disbursements, the accumulated reserve fund may be drawn upon to make up the deficiency. The company may then increase the price of gas sufficiently to yield revenues adequate to replace the reserve fund and to pay the regular dividend. If in any year the net profits exceed amounts needed for dividends and other purposes, the surplus goes into a special surplus account which is used to reduce gas rates to consumers when amount is equal to 5 cents per 1,000 cubic feet on the quantity of gas sold in the preceding year. That surplus account on September 30, 1931, stood at $226,814. Such a reduction was made in April, 1931, and it is only one of many in the company's history.

Has Worked Well

The supreme test of this agreement is that it has worked. Capital has been ready at what has always proved reasonable rates for the company's needs and the consumer has benefitted. The company is forced by this agreement to set aside from earnings 5 per cent of the book value of the plants and buildings in use by the company to look after all ordinary renewals and repairs required. This wise provision has enabled the company to keep its plant and equipment always in good condition and to provide a reserve exceeding $2,514,185 to enable it to attend to any extraordinary call in this respect in any year or years.

Serves Greater Toronto

By recent permission the company has been enabled to extend its services beyond the confines of the municipality of Toronto to serve the suburban areas created when the city's population broke its bounds which were no longer sufficient to hold it.

That authority was given on April 14, 1931, and the company already serves fourteen outside municipalities. This means that in future the company will become as intimately connected with the metropolitan area of Toronto as it had until 1931 been with the municipality of Toronto. Building up with the city from its early beginnings the company through its mains and connections is woven into the very texture of Toronto. Prosperity of the community under the present arrangement has therefore in the past always taken the company along with it. As the trend is upward also in the use of gas by industry, the company's earnings are not threatened by advancing use of electrical cooking and heating appliances.

Could Sell En Bloc

In asking for tenders for 12,500 shares of common stock, it necessarily follows that the policy of the directors is to accept the highest tenders until the stock is fully taken up. By this method those who are looking for a bargain are apt to get left without any stock. Though this stock is being offered in what is at present conceded to be a bond market, it is understood that the company if it were not limited to the present method of selling its stock could easily dispose of the stock at a large premium to one or a few large buyers. Directors prefer that ownership should be well spread through its territory, a policy which is favorable to investors in days when too many companies have been obliged to drop dividends for a time.

Brazil and Brazilian

I would be very much obliged if you would give me some information regarding the common stock of Brazilian. What in your opinion is the prospect for an early settlement of the internal troubles in Brazil? Do the affairs of the country appear to be in strong hands at the present time? From the investment viewpoint for a long hold do you consider Brazilian Traction, L. & P. a good buy?

Recent speeches by the Finance Minister and by some other cabinet ministers of Brazil are of a hopeful nature. They claim that the country has successfully navigated most of its troubles outside of the very serious problems of disposing of the tremendous surplus of coffee. That will be a load on the back of the country for many years and until some relation between world supply and world demand has been achieved this must be accounted a weakness which may have its effect on the milreis. As you probably know Brazilian earnings have to be exchanged from the milreis into Canadian dollars before dividend can be paid. The decline in the milreis has therefore had an unfortunate effect on the investment of Canadians in Brazilian common stock.

No one can predict with certainty as to what the movement of the milreis will be. The president of Brazil who came there as a result of a successful revolution is regarded as a strong man but the man before him was also so regarded. They cannot translate an intrinsically weak situation over night into a strong one. However, on the very long view Brazil has immense resources and other exports may develop to help out the coffee situation.

The company is somewhat helped by the fact that 50 per cent of its receipts are stated to be on a gold basis.

A Widow's Holdings

A client of ours who is a widow owns Massey-Harris 5 per cents maturing 1947, and Burns & Co., 5½ per cent bonds. Do you consider the securities safe and are they desirable for a widow? We might mention that in addition to the above she has an income of $100 per month.

With reference to Massey-Harris five per cent bonds maturing 1947, there is a more or less speculative position in view of the fact that no one is able to say just how long will be the duration of the present dearth of purchasing power among farmers of the world. Massey-Harris does an international business and all the troubles now so apparent in Europe and elsewhere have, therefore, an effect on its situation. So far as domestic situation is concerned, the company's problem during the past year and for some time to come is to collect the large amounts owing to it by farmers everywhere and to sell the large inventory of finished goods which it has on hand. During 1931 the company put in force drastic economies which will be of assistance to it in the time to come. Its annual statement for the year ending November 30, 1931, will probably not be ready until March.

Burns & Co. 5½ per cent bonds also show a distinct lack of encouraging background in view of the fact that its principal business is in Western Canada which has been most affected by the drop in wheat prices and the consequent decrease in purchasing power by farmers. Senator Burns put some new money into the company last fall and many economies have been effected. More may be needed.

Cockshutt Plow

What is your opinion of Cockshutt Plow common stock for a hold? I understand that no bonds or preferred stocks are ahead of the common.

I would like to invest a moderate amount in something that has a good chance of showing appreciation in the future.

You are right in your understanding that there are no bond or preferred stocks ahead of the common stock of the Cockshutt Plow Company.

As to the chance of appreciation in the future, The Financial Post does not predict what will happen to stocks. This company is affected, as all other agricultural implement and machinery companies are affected by the sharp drop in purchasing power of farmers the world over. Naturally it will be to the benefit of this as to other companies when the western and eastern farmers of Canada are in the market once again for implements and machinery and are getting prices which will help them pay off old bills. On the whole Cockshutt Plow's last statement showed a good financial structure in the face of adverse experience of the last two years.

At the annual meeting on February 15, 1932, Colonel Cockshutt, president, said patience was necessary until prices of farm products improve. He stated also that while the company had suffered from the depression it had been able to keep a number of men employed and that the engineering staff had not suffered a day's idleness. He expressed the opinion that the farm implement business will pick up, as soon as world troubles are adjusted.

Chemical Research Corp.

Please advise me the present position of Chemical Research Corp. Is it making progress and are oil companies taking up its process.

Chemical Research controls patents, through a subsidiary company, on a crude oil cracking process for the production of gasoline. Its revenue is derived solely from royalties from this process which, although recognized as having merit, has been militated against by the chaotic condition of the oil industry which has retarded the extensive licensing of its use to all refineries. No statement has been published of the company's earnings, although it paid an initial dividend of 10 cents a share on December last. A factor that is retarding the company's progress is the development of similar processes by the larger oil refineries themselves. The company is headed by S. F. Beall as president.

Blue Ribbon

I hold preferred and common shares of Blue Ribbon Corp. The stock has sold off during the past month and dividends have been reduced on the preferred and passed on the common stock. Has the purchase of Willards Chocolates Ltd. had this effect?

The announcement as to the reduction in preferred dividends, and the passing of the common dividend was made January 25, and it would appear that the selling immediately prior to that date was entirely on account of the dividend action taken by directors of the company.

The purchase of Willards Chocolates Ltd. is conditional upon the paying off of a mortgage on certain properties of that company which does not come due until March 1, 1935. Through the purchase Blue Ribbon secures a large plant and warehouse in Toronto, which, it is anticipated, will aid the company in expanding while Willards Chocolates has an established business in certain lines in which Blue Ribbon has been gaining strength, during the last year or so—notably chocolate bars.

Willards, however, failed to earn operating expenses in the first nine months of 1931, and Blue Ribbon has taken on contingent liability by guaranteeing the dividend of 6½ per cent on the $474,000 of Willards preferred stock outstanding. While Blue Ribbon has been able to earn its preferred dividend by a reasonable margin since it was consolidated with Pure Gold Manufacturing Company in 1930, the preference dividends on the Willards' stock will total over $30,000 annually. Reduction in the Blue Ribbon dividend and passing of the common dividend will improve the company's cash position and with prospects for 1932 rather indefinite, at the present time, the company has taken a conservative attitude.

Payable in New York

As a subscriber to The Financial Post resident in the United States I would be pleased if you will forward me a list of all Dominion of Canada securities, with principal and interest payable in New York funds. If there is no such issue kindly advise if there are provincial issues of this kind.

We have taken so many lickings on both bonds and gilt edged stocks since 1929 that we can buy only government bonds at the present, and like Canadian bonds. The present exchange rate is much against one living in the United States unless there are issues payable in U. S. funds.

The Dominion of Canada and eight of the nine provinces, excluding only Prince Edward Island, have bonds payable either in New York alone or with an option of payment in New York, Canadian or London, Eng., funds. In addition, all the principal cities in Canada have issued bonds payable in New York during recent years so that an investor wishing to secure high-grade Canadian bonds payable in New York has a wide choice or selection:

The following bonds of the Dominion of Canada are direct obligations and are payable in New York.

$40,000,000—4 per cent treasury notes due December 1, 1932.

$874,000—5 per cent bonds due August 1, 1935.

$40,000,000—4½ per cent bonds due February 1, 1936.

$100,000,000—5 per cent bonds due serially May 1, 1942, to 1952.

$100,000,000—4 per cent bonds due October 1, 1960.

In addition there are several bond issues of the Canadian National Railways which are unconditionally guaranteed by the Dominion of Canada and are payable and listed in New York markets.

Hitler and Stock Market

As a New York subscriber to The Financial Post I should much like to have your opinion of the consequences to the security market, if Hitler gets in power in Germany, which seems likely.

Only the event itself could determine what the consequences would be to the securities market of Hitler getting into power in Germany. It is a possibility which seems to have had more effect in security markets a few months ago than now.

The common sense of the German people may make itself evident in just as imposing a demonstration as the British electorate gave last September. The present administration appears to be showing a firm front to Hitlerites and others, but it also has some very weak situations to handle and can hardly do it successfully in the opinion of many commentators, unless it gets financial aid from France, Great Britain, United States and other strong nations. The huge total of credit to Russia is regarded as a danger point and it will be watched very closely in the next few months.

Abitibi Power & Paper

I am worried over my holdings of 6 per cent Abitibi Power & Paper preferred stock. Should I sell my 25 shares bought at $56 or buy more at $6 or $7 a share in order to even up. Would a merger wipe away any of the value of this preferred stock?

Abitibi Power and Paper Co. evidently stopped dividends on the 7 per cent preferred and 6 per cent preferred stock because it was not earning sufficient money to pay them and because the future prospects for the newsprint industry are under a cloud for the next two or three years. The company has reduced expenses to a very large extent by stopping wood operations and by a drop in wages for its employees at Iroquois Falls. It is not likely to start wood operations again until the huge piles which it has at its various mills are reduced to proportions suitable to the present market demand. By liquidating the wood piles the company is enabled to reduce its bank loan, to meet bond interest and sinking fund, in an effort to avoid following the path of so many other large newsprint companies into the hands of the receiver or into a near receivership.

The payment of dividends again on the preferred stock will therefore probably have to await the return of demand on a much larger scale for newsprint than at present. At the present time the company is greatly helped by the fact that the United States dollar sells at a premium as measured in Canadian dollars. The great part of the company's production is sold in the United States. The United States demand for newsprint will in all probability revive as business activity gets greater. It will have to revive to a very large extent before newspapers get back to the bulk which they showed in the palmy days of 1927, 1928 and 1929 and no one can predict just when that will occur. If demand does return the greater part of Canadian newsprint output will be sold at prices very much lower than used to obtain, the present premium on the United States dollar may disappear as Canadian exports generally grow, and the payment of dividends would then depend on further economies being made or some increase in prices. In 1932 newsprint sells at $4 a ton less in United States money than in 1931.

We cannot tell what may happen to the preferred stock in case of a merger. Such a merger would have to recognize actual values. Abitibi apparently is in a good bargaining position on the basis of its record to date as compared with other companies mentioned as likely to merge.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Lakeland Gold Mines Ltd.

Can you give me any information regarding Lakeland Gold Mines? A customer of mine holds some stock in it and is anxious to know whether it is likely to appreciate in value within the next year.

Lakeland Gold Mines is being financed through the activities of Bryant Newkirk, a New York promoter, who is also behind the scenes of Moffatt Hall Mines.

The company's property was formerly known as the Murray Mogridge Mines and consists of 680 acres at Wolfe Lake, Maisonville township, north of the Kirkland Lake area. There are no producers near the company's property and development work now being conducted has not progressed sufficiently far that any opinion can be drawn as to the merits of the company. Much more work and a great deal more money will be required before it can be determined whether the property is to share greater success than it did under the former operators.

Manitoba Basin Mining Co.

During the mining boom I stung myself with a bunch of Man. Basin stock and as keeping it requires less effort—if not as much satisfaction—than starting the fire with it I guess I will do the former.

Will you please let me know what has happened to this company and its properties and who happens to be controlling its destinies—if any?

Manitoba Basin Mining Co. is still in existence and its shares have been selling around one cent each recently. Originally the company was financially sponsored by Stobie-Forlong & Co., and its successor, the Stobie-Forlong Assets Ltd., has been endeavoring to conduct some development work and prove the worth of some of the company's holdings.

In May of last year an option was renewed on the Billie Boy group of claims, about 20 miles north of Flin Flon, Manitoba. An option was formerly held on this group, but with the failure of Stobie-Forlong it was dropped. The diamond drilling campaign was carried on until August last when due to the failure to prove up the higher grade ore found on the surface, operations were again allowed to lapse. This was one of the most important holdings of Manitoba Basin, and as the company has no money in its treasury there is little on which to pin hope for the future. The head office of Stobie-Forlong Assets Ltd. is 411 Brock Bldg., Toronto.

Noranda Mines

Will you please give me some information as to the present earnings position of Noranda Mine Ltd. and how you regard its future.

Noranda Mines at present prices is obviously discounting potential earnings. After having passed dividends for a year, a disbursement of 50 cents a share was made on December 29 last, in the nature of an interim dividend without any commitment being made that regular dividends would follow. The company is primarily a copper producer, and one of the lowest cost operations in the world, due to the gold content of its ore.

While the financial statement for the past year is not yet available, indications are that the earnings will be between $1.25 and $1.45 per share. This earning is largely due to the gold recovery which last year was close to $5,000,000 ranking the company fourth among Canadian gold producers. The company is well managed, has a strong liquid position, but the chaotic condition of the copper market is such that it pursues the policy of retaining the greater part of its earnings until an improvement in the general economic condition is imminent. The company has had a most successful year in mining developments, particularly in proving up a large quantity of copper ore with a high gold content. It is thus well fortified for the future given a return of better copper prices. What the company has been able to earn in 1931, an adverse year for copper producers, is an indication of what can be hoped for once copper prices improve. The company is directed by a well known group of business men, including N. A. Timmins. The company is headed by James Y. Murdoch, K.C., as president.

McIntyre-Porcupine

Do you consider McIntyre Porcupine Mines Ltd. a safe investment at present prices? What is the outlook for future earnings and is the present dividend likely to be maintained?

McIntyre-Porcupine Mines is one of Canada's leading gold producers with a record of 20 years' successful management that has given its shareholders little cause for concern for the future. It has been the policy of the company to build up and maintain a strong liquid position which policy has enabled it to expand by acquiring additional properties, a policy that has ensured its existence today. Last June the company completed what is regarded as the finest and best equipped gold plant in the world, increasing its capacity from 1,500 to 2,000 tons daily. The full benefits of the new plant have not yet been reflected in the statements of earnings. Indications are that at present the company is earning, before write-offs, last year about $1 per share—close to $3.25 per share as against dividend requirements of $1 per share.

The extended life of the property never looked more promising. The ore reserves are higher than ever before with about four years' supply at present rate of production. This, however, does not reflect the true ore potentialities, and indications point to many years of profitable operation ahead. It is the avowed ambition of the company's president, J. P. Bickell, to place an equity of $20 per share—an average market price in recent years—behind the stock as a security to shareholders. This equity is to be made up either in ore or in the treasury. At present the profit in the indicated ore reserves is about $11,000,000 while there is about $3,000,000 in the treasury, or a total equivalent to about $17.50 per share.

Higher dividends, the president stated at the last annual meeting, will not be considered until the liquid position is built up commensurate with the magnitude of the company's operations.

Roofing Industry Expands

Report on the roofing industry in Canada for 1930 shows a gross value of production amounting to $6,111,633. This compared with $5,844,287 in the previous year.

WE wish to announce the resumption of our business as members of the Montreal Stock Exchange, with offices on the Second Floor of 505-507 Place d'Armes. New telephone number, PLateau 5811. Branches are open at Toronto, Ottawa and Quebec.

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The Birthplace of a Bachelor

I, a Bachelor, am proud to call Cuba my birthplace—proud also that I spent later days in a house of cedar where the qualities implanted in me by the warm Cuban sun were aged and mellowed to perfection. Today my nature, mild, and friendly to all, reward those who seek my companionship. I end in ash but the pleasure I give outlasts my mortality.

+ + +

Wilson's Bachelor Cigar is a deluxe cigar at a popular price. Ten cents a time brings you all the satisfaction of a really mild cigar, aged and mellowed in cedar, possessing a rich characteristic flavor that defies imitation. Bachelor comes to you always fresh and in perfect condition—sealed in Cellophane for your protection. Sold everywhere.

CHARGES EARNED BY VIAU BISCUIT FOR PAST PERIOD

Common Share Profit Was $1.19 Compared With $3.51 in 1930

From Our Own Correspondent

MONTREAL.—Gross profits of Viau Biscuit Corp. in 1931 were $619,568 compared with $762,623 in the previous year. It is pointed out that although sales continued at a satisfactory level demand was for lower priced lines on which the margin of profit was small. It was also found necessary to absorb the increase in sales tax which affected earnings adversely.

Expenses during the year were slightly lower and after deduction of all charges, including preferred dividends, there remained a sum equal to $1.19 a share on the common, which compared with $3.51 a share in 1930.

In addition to usual reserves there has been set aside $50,000 from surplus for depreciation and obsolescence and balance at profit and loss totals $87,800 compared with $110,798 at the end of 1930.

Income Accounts Compared

Following is a comparison of income accounts for the past two years:

	1931 $	1930 $
Gross prof.	619,568	732,623
Exp.	404,456	422,601
Net earn.	215,112	310,021
Other inc.	3,671	5,445
Total inc.	218,784	315,466
Int. etc.	27,523	33,474
Deprec.	30,000	40,000
Tax res.	8,500	12,381
B. D. res.	20,000	20,000
Written-off	......	*19,000
Net inc.	132,761	190,611
1st p. div.	70,000	70,000
Balance	62,761	120,611
2nd p. div.	32,900	32,900
Balance	29,861	87,711
‡Prev. surp.	108,202	63,783
Total	138,063	151,494
†2nd p. div.	......	32,900
Balance	138,063	118,594
§Loss	268	7,796
Balance	137,800	110,798
^Transfer	50,000	......
P. & L. bal.	87,800	110,798

*Including organization expenses, provision for old tins and deferred advertising.
§On sale of assets.
‡After adjustments.
†For year ended Dec. 31, 1929.
^To reserve for depreciation and obsolescence.

Working Capital Slightly Lower

The balance sheet shows a slight reduction in working capital which totals $422,265 compared with $424,288 at the end of 1930. Current assets were $573,431 and current liabilities were $151,066.

Preferred shareholders will meet on March 8, directly after the annual general meeting, to consider a plan to alter the company's by-laws to permit preferred stock to be redeemed at less than $115 a share, the present redemption price. There are outstanding $1,000,000 of first preferred and $450,000 of second preferred stock.

In his remarks to shareholders, Theophile Viau, president of the company, said in part:

"Your directors feel that in view of conditions generally the earnings for the year were satisfactory. Sales were at a satisfactory level, but demands were for lower priced lines, on which the margin of profits was small. Several new and modern machines were added during the year which should increase earning capacity when normal trading conditions return, and it is the intention to add further machines of latest type during the current year. Earnings for the year were affected adversely by new taxes, particularly the increase in sales tax, all of which, it was found necessary to absorb without any offsetting price increase. The current year has been quiet to date, but is steadily improving."

GURD EARNINGS SLIGHTLY SHORT OF ALL CHARGES

Common Share Profit Was $1.97 Against Needs of $2 a Share

From Our Own Correspondent

MONTREAL.—Net earnings of Charles Gurd & Co., manufacturer of carbonated beverages, were $136,550 in 1931, compared with $196,837 in the previous year, both figures including provision for depreciation and income tax. Earnings last year were ample to cover preferred dividend needs of $18,550 but payment of the $2 dividend on the common entailed drawing on surplus to the extent of an even $2,000.

In the previous year profits applicable to the common stock were equal to $2.95 a share; in 1931 common share earnings were $1.97. The report to shareholders refers to the effects of the increased sales tax and the retroactive increase in the corporation income tax totalling $4,604 has been provided from 1930 surplus.

Profit and Loss Figures

Following are comparative figures for profit and loss in the past three years:

	1931 $	1930 $	1929 $
Net earnings†	136,550	196,837	207,645
Less:			
Pref. divds.	18,550	19,950	21,000
Com. divds.	120,000	120,250	120,000
Surplus for year	*2,000	56,637	66,645
Add: Prev. surp.	280,723	224,086	157,441
Inc. tax adj.	4,604	......	......
Balance forward	274,119	280,723	224,086

†After depreciation and income tax.
*Deficit.

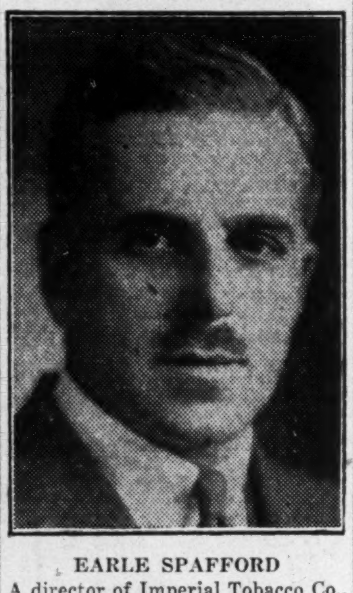
Working Capital Reduced

Working capital is lower by $6,000 at $305,039, current assets at the end of the year totalling $345,187 compared with current liabilities of $40,148. Cash is marginally lower at $10,199 and call loans are down $15,000 at $35,000. Accounts receivable at $140,660 show a decline of $5,000 and inventories are up $28,000 at $164,407.

Form Grist Milling Body

The Western Saskatchewan Grist Milling Association has been formed to enable the small millers of the southern and western parts of the province to act through a central organization. Twenty milling companies are concerned.

Tobacco Executive



EARLE SPAFFORD
A director of Imperial Tobacco Co., who has been elected vice-president of the same company.

CANADA FORGES OPERATING LOSS $34,389 IN 1931

Deficit Includes Provision for Depreciation and Bad Debts

From Our Own Correspondent

MONTREAL. — Operations of Canada Foundries and Forgings, Ltd., in 1931, after providing for repairs, bad debts and depreciation, resulted in a loss of $34,389 compared with a profit of $110,834 in the previous year. After deduction of interest charges, administration expenses and payment of two quarterly dividends on the class "A" stock, there was a deficit of $98,028. In the previous year full dividend requirements were covered by a margin of $3,578.

Further deductions have been made on account of taxes and a reserve of $50,000 has been provided for contingencies, leaving a profit and loss balance of $342,107 as opposed to $496,572 brought forward at the end of 1930.

Profit and Loss Figures

Following are comparative figures on profit and loss for the past three years:

	1931 $	1930 $	1929 $
Net profit	†34,389	110,834	208,725
Deduct:			
Debt. int.	11,082	11,791	12,803
Loan int.	576	8,258	13,668
Adminis.	23,781	29,607	31,336
Balance	*69,828	61,178	150,918
Dividend	28,800	57,600	57,600
Surplus	*98,628	3,578	93,318
Prev. surp.	496,571	496,367	403,049
Balance	397,943	499,945	496,367
Income tax	4,201	3,373	......
Balance	393,742	496,572	496,367
Corp. tax	1,635	......	......
Balance	392,107	496,572	496,367
Cont. res.	50,000	......	......
P. & L. bal.	342,107	496,572	496,367

†Net loss after providing for repairs, bad and doubtful debts and depreciation as last year.
*Debit balance.

Working Capital Reduced

Though current liabilities were reduced at the end of last year, current assets showed a sharper decline and working capital stood at $665,272, a reduction of $123,000 compared with the figure at the end of 1930. Ratio between current assets and current liabilities, however, has been almost doubled, standing at 15 to 1.

Cash is higher by $28,000 at $33,249, but accounts receivable are lower by $89,000 at $154,420 and inventories have been reduced by $104,000 to $526,553. Investments in other companies, less reserve, are carried at $51,841 or half the figure shown in 1930; goodwill is unchanged at $250,000. Property account shows a gain of $11,000 at $1,728,755 and bonds held for sinking fund are down $500 at $13,500.

No Bank Loans Shown

In liabilities, the report shows no indebtedness to the banks, whereas at the end of 1930 there were loans outstanding of $44,000 and an overdraft of $4,956. Accounts payable are higher by $8,000 at $43,005 and depreciation reserve has been increased by $23,000 to $610,694. During the year bonds were redeemed, leaving outstanding $182,827, including accrued interest compared with $199,020 at the end of 1930.

In his report to shareholders, W. M. Weir, president of the company, said in part:

"The profit and loss account shows that the business done by your company during 1931 was not profitable. This is entirely due to the greatly reduced sales of its products, and is a reflection of the general condition which has had to be encountered by business of this nature.

"Unremitting effort has been applied to the maintenance of sales, but it was early realized that the prevailing situation could only be met by increased economies. Your directors have given much attention to this aspect of your business with the result that manufacturing costs have been reduced through improved methods and increased manufacturing efficiency.

"All items of expense have been carefully and constantly scrutinized. Large savings have been effected, the full effect of which is not reflected in the figures before you, but we believe that the steps that have been taken will enable your company to take immediate and profitable advantage of even a moderate improvement in business."

Dominion Steel & Coal Make Executive Changes

From Our Own Correspondent

MONTREAL. — Announcement is made of the resignation of C. B. McNaught as president of the Dominion Steel & Coal Corp., and the appointment of Sir Newton J. Moore, senior vice-president, as his successor.

Sir Newton has been connected with Dominion Steel & Coal Corp. since January 1920, when he became a member of the London Advisory Committee of Dominion Steel Corp. In March 1924 he was elected vice-president and has since continuously occupied that position in the Dominion Steel Corp. and in the Dominion Steel and Coal Corp. since its inception. He has had the direction of the European business of the company.

Sir Newton is at present in England, but is expected to take up residence in Canada shortly. It is stated that there will be no change in the policy of the company.

Ship Seed to Denmark

The Grimm Alfalfa Seed Association at Brooks, Alberta, has received an order from Denmark for three thousand pounds of alfalfa seed, which will go forward shortly.

OKA SAND PROFIT FAILED TO COVER PREFERRED NEEDS

Total Sales Showed Drop of 16 Per Cent from 1930

From Our Own Correspondent

MONTREAL. — Total sales of Consolidated Oka Sand and Gravel Co. in 1931 were $513,443, a decline of about 16 per cent and net earnings totalled $127,201 compared with $158,260 in the previous year. After provision for depreciation, bond interest and organization expense, net profits were $36,433, compared with $64,128 in 1930.

Preferred dividend payments totalling $49,119 entailed drawing on surplus to the extent of $12,686, which, with deduction of $4,761 for other taxes, reduced surplus to $46,545 as opposed to $63,993 at the beginning of the year. The balance sheet reflects the granting of supplementary letters patent, authorizing the conversion of the no par value common shares into shares of a par value of $5.

It is pointed out that since the beginning of December, 1931, there has been a very decided falling off in the volume of the company's sales. Part of this is held due to the usual seasonal decline, but prospects indicate a marked reduction in the amount of business offering, it is stated. Economies put into effect since the end of the year, however, are expected by the management to offset the anticipated reduction in earnings, to some extent.

Details of Income

Following are details of profit and loss for the past three years:

	1931 $	1930 $	1929 $
Net earn.	127,201	158,260	202,883
Deprec.	43,487	43,907	37,815
Bond int.	44,402	45,348	45,500
Org. exp.	2,878	2,877	2,246
Sink. fund	......	......	2,333
B. D. res.	......	......	4,284
Other res.	......	2,000	3,100
Special deprec.	......	......	10,000
Net profit	36,433	64,128	97,605
Pfd. div.	49,119	49,119	49,252
Surplus	†12,686	15,009	48,353
Prev. surp.	63,992	50,990	4,679
Total	51,306	65,999	53,032
*Other taxes	4,761	5,558	3,042
Adjust.	......	630	1,500
Balance	46,545	59,810	48,480
Adjust.	......	4,183	2,500
P. & L. bal.	46,545	63,993	50,990

*For prior years.
† Deficit.

Cash is Lower

Working capital shows a reduction of $19,000 at $72,783, comprising current assets of $167,502 and $94,719. Cash is down $9,000 at $40,651, while accounts receivable have dropped $23,000 to $45,527. Inventories, consisting chiefly of 84,689 tons of sand, are valued at $60,246—a reduction of $29,000. Insurance claims are slightly higher, at $1,142.

Depreciated value of fixed assets is down $70,000 at $1,715,468. In this connection it is noted that the Bridge Street terminal, carried at $30,000 in 1930, was abandoned during last year as the property, it is stated, was no longer useful and the expense of its maintenance had become burdensome.

Bank Loans Unchanged

In liabilities bank loans are unchanged at $45,000 and accounts payable are down $42,000 at $30,170. Funded debt has been reduced by $15,000 to $671,000 and a deferred liability representing the amount due on account of the Robertson property, purchased in 1930, has been reduced by $25,166 to $49,833.

Reflecting the conversion of the common stock into shares of $5 par value, the 21,000 shares are now carried at $105,000 compared with $352,883 in 1930.

Remarks to Shareholders

In his report to shareholders the president, James Playfair, said, in part:

"The business of your company was well maintained during the first eleven months of the year but since the first of December there has been a very decided falling off in the volume of sales. Part of this is due to the usual seasonal decline but the prospects indicate a marked reduction in the amount of business offering. Many economies have been put into effect since the end of the year which will result in considerable saving in the cost of operations and to quite an appreciable extent will offset the anticipated reduction in earnings."

THRIFT STORES SALES RECORD HEALTHY GAIN

Nine Months Figures Show Increase of 25 Per Cent

From Our Own Correspondent

MONTREAL. — Retail sales of Thrift Stores Ltd., operators of a chain of grocery stores in Montreal, for the period April 1, 1931, to January 9, 1932, totalled $2,959,335. This compares with $2,370,375 in the corresponding period of last year, an increase of approximately 25 per cent.

The increase in sales is accompanied by an increase in the number of units operated, the company now having 65 stores, as compared with 51 a year ago. It is interesting to note that the average sales of the 51 stores in the 1930-31 period was $46,478, as against average sales for the 65 stores in the current period of $45,528. This decline of only $950 per store is considered to be an exceptionally good showing.

Cover Dividend Charges

During the fiscal year ended Mar. 31, 1931, sales amounted to $3,363,743. As there are still three months to go in the current fiscal year, expectations are that the total sales for 1931-32 will show a material increase.

While net figures have not been published to date this year, it is stated that the first and second preferred dividends for the entire year, amounting to $31,150, have been earned with a substantial margin to spare during the period terminating January 9 last.

The management expressed satisfaction over this showing, pointing out that commodity prices have been declining steadily for the last two years and the increase in dollar volume of sales is all the more notable.

Canadian Trust Company Assets Exceed 2½ Billion

Combined figures for 1930 of all trust companies throughout Canada—of both Dominion and provincial incorporation—are compiled for the first time by the "trust and loan" blue book just issued by the superintendent of insurance at Ottawa. This shows combined total assets of trust companies to be $2,327,556,636, as compared with $2,059,862,042 for the previous year. Included are estates, trusts and agency funds to the amount of $2,077,445,861 in 1930, which compares with $1,836,029,835 in 1929; the balance in each case being company and guaranteed funds.

Paid-up capital stock totalled approximately $38,000,000. Reserve and contingency funds aggregated $25,118,114 at which they were about $800,000 higher than the year previously. Unappropriated surpluses totalled $3,129,742 as against $2,445,031 in 1929, while combined net profits were $211,000 lower at $4,988,384.

Loan companies, combined figures for which are also shown, had total assets as at the end of 1930 amounting to practically $206,000,000 at book value. This was approximately $635,000 lower than the year before. Liabilities to the public were about 5½ million dollars lower at $137,056,173. Reserve and contingency funds totalled $27,478,170 compared with slightly under $25,500,000 in 1929. Combined net profits realized during 1930 were $3,733,889 compared with the previous year's $5,199,055.

National Steel Car Take on New Products

From Our Own Correspondent

MONTREAL. — Negotiations have been completed whereby the National Steel Car Corp. will manufacture the products of the La Plante-Choate Mfg. Co., of Iowa, exclusively for distribution in the Dominion.

National Steel Car will manufacture and build complete all machines in the La Plante-Choate line, including snow plows, bulldozers, dump-wagons, bag fillers, trial builders, bow scoops, rollover scrapers, ripper plows, brush cutters, sheep foot tampers, logging and bilfield trailers.

SON OF ALBERTA GETS HIGH HONOR

Cowboy Wilson McCarthy Becomes Director of U. S. Loan Board

Raymond, Alberta, is proud of Wilson McCarthy who has been named by President Hoover as a director of the United States' new $2,000,000,000 Reconstruction Loan Board. For was not Wilson once a cow-puncher in the southern Alberta range country and a broncho-buster who could ride with the worst of 'em?

According to the Edmonton Journal, he certainly was. The Journal says:

"Mr. McCarthy, a lawyer and banker of Salt Lake City, Utah, and Democratic leader in the Utah state senate, is the son of the late Charles McCarthy, old-time cattle man and ex-mayor the town of Raymond.

"He was born in Utah but came to Alberta as a small boy and was educated in the public and high schools of the province, then going to Osgoode Hall for two years. Before going to Toronto he rode the range during the day and pored over law books at night.

"From Toronto he went to Columbia university, graduating in law. He gained prominence in the east as a speaker and took the stump for President Wilson in the peacemaker's first presidential campaign. Returning west he located in Salt Lake and soon made a name in legal and political circles.

"In turn he was county and state's attorney, then state senator, becoming Democratic leader. For several years he has been manager of the Regional Farm Loan bank spending part of his time in San Francisco."

Simon and Sons Head Comments on 1932 Outlook

From Our Own Correspondent

MONTREAL.—Substantial economies put in force by H. Simon and Sons will enable the company to report an increase in earnings on the same volume of business in 1932 as was reported in 1931, according to a statement made by Arthur Simon, president, at the annual meeting of the shareholders.

Apart from the president's remarks, the meeting was routine with reports adopted and directors re-elected unanimously.

Algoma Central Terminal Bondholders Pass Interest

From Our Own Correspondent

MONTREAL.—Holders of the 5 per cent first mortgage debenture stock and bonds of Algoma Central Terminals, at a special meeting in London, England, on February 22, approved resolutions permitting the postponement of interest on such securities.

In proposing this step, R. Home Smith, president, circularized the bondholders. He said the payment last August of an amount of £287,252 to the Terminals' bondholders, pursuant to the scheme of arrangement, in conjunction with other cash payments, reduced the Railway and Terminals company's cash reserves to about £60,000. An additional £30,000 would be deducted were the company compelled to meet its interest payments presently due on these bonds. That would deplete the company's working capital to such a degree, he summarizes, as would be inimical to its best interests, particularly in view of extremely difficult conditions with which Canadian railways have to contend at the present time. The only alternative to the suggested postponement of interest would be to force a receivership, with its delays and costs, which such a step would involve.

Plan Rebuilding of Narrows Bridge

It is understood that the Burrard Inlet Tunnel and Bridge Company has reached an agreement with Stuart Cameron and Co. Ltd., general contractors of Vancouver, which will provide for the reconstruction of the second Narrows bridge which has been out of commission since September 1930. The present scheme will involve an expenditure of approximately $750,000.

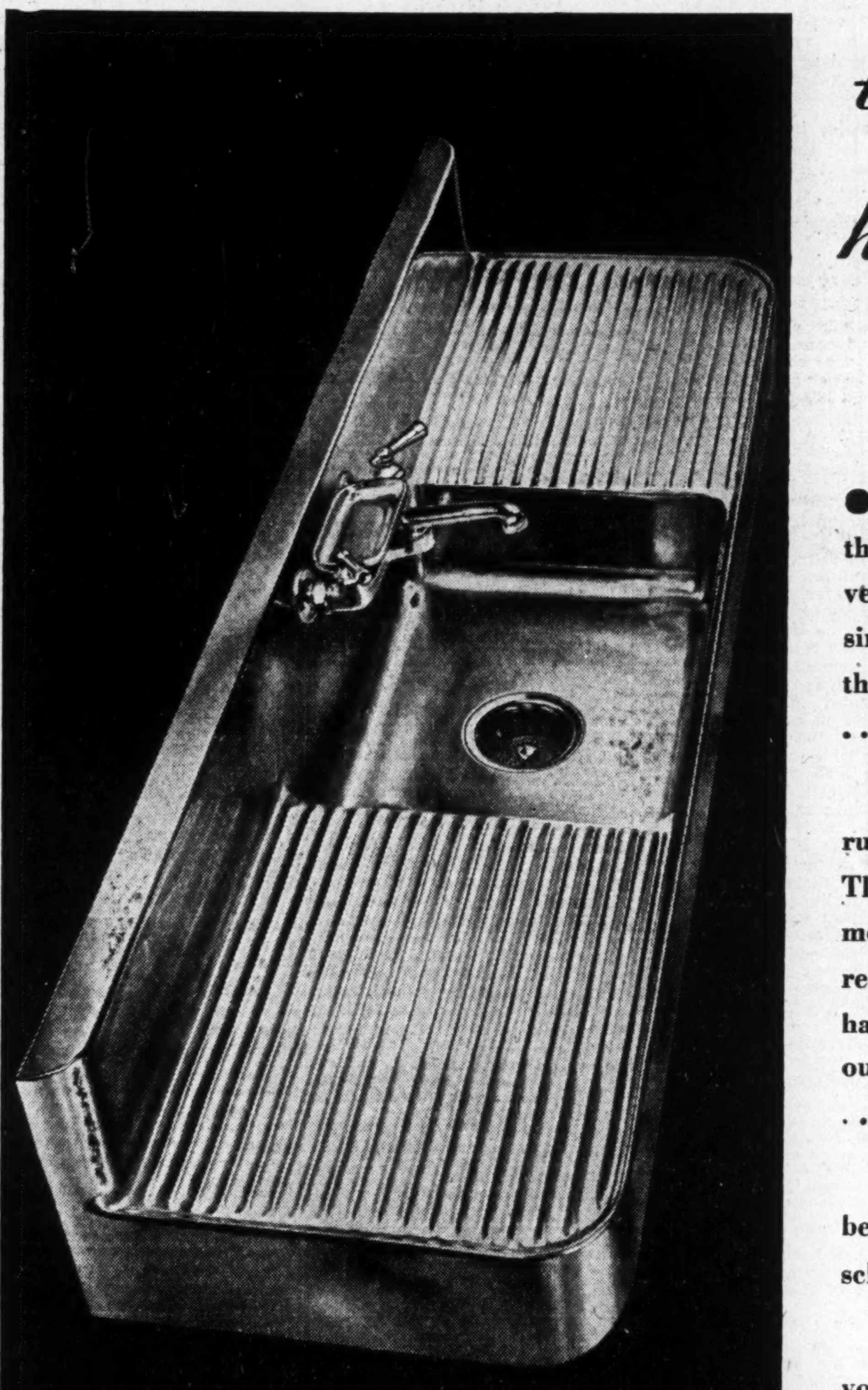
Ship Timber to Australia

British Columbia sawmills have received a further order for four million feet of mining timber for Australia. This is the third order of similar proportions received by this province in the past year or so.

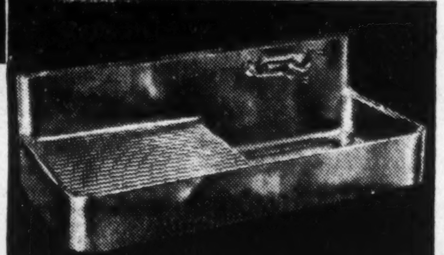
Here's the NEW

MONEL METAL SINK *that*

thousands of women have waited for . . .



Double drain board Monel Metal kitchen sink. Recommended for large kitchens. Made in nominal sizes of 72" x 21" and 60" x 21".



At right—Single drain board Monel Metal kitchen sinks. Available in both left- and right-hand drain board models. Made in nominal sizes of 50" x 21" and 41" x 21".

● Women, everywhere, have wanted a sink like this . . . wanted the beauty, durability and convenience that only silvery, lifetime Monel Metal sinks can provide. Now . . . . they can enjoy all these features in a standardized Monel Metal sink . . . . at a price within reach of the average purse.

The new Monel Metal sinks are chip-proof, rust-proof, corrosion-resisting, strong and sturdy. Their rigid one-piece construction provides 31% more working space without increasing floor space requirements. They are built to withstand years of hard use . . . . there's nothing to wear off or wear out . . . . no seams, crevices or joints to catch dirt . . . . no place for moisture to settle.

And, note also, that the rich, mellow, silvery beauty of Monel Metal harmonizes with any color scheme you may desire now . . . . or in the future.

See the new one-piece Monel Metal sinks at your plumber's. Compare them with any other sinks you have ever seen. Then write for free booklet that tells more about them.

◆

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THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

and its subsidiaries

25 King Street West, Toronto 2, Ontario, Canada

Products of "International Nickel" may be obtained from the following sources:

Toronto	Montreal	Vancouver, B.C.
Peckover's Limited	Robert W. Bartram, Ltd.	Wilkinson Company, Ltd.
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Monel Metal is a registered trade mark applied to a technically controlled nickel-copper alloy of high nickel content. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.

A HIGH NICKEL ALLOY
MONEL METAL
INCO MONEL METAL
NICKEL ALLOYS LOOK BETTER LONGER

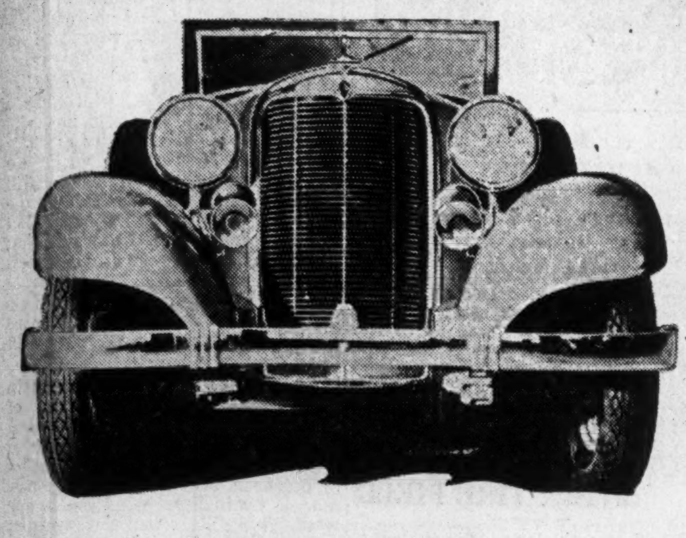
SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, MARCH 5, 1932 — 10c a Copy; $5.00 a Year — No. 10

National Motor Show Opens At Toronto on March 5



The 1932 DeSoto sounds a new note in frontal appearance with its rounded-section radiator and lateral grille, somewhat reminiscent of European racing-car practice. The dual horns, affixed to the head-lamp brackets, are plainly visible, while the domed fenders add to the solidity of the whole.

THE National Motor Show of Canada, which opens in Toronto on March 5, marks the inauguration of what is planned to be an annual mid-winter display of automobiles. Being sponsored by the Canadian Automobile Chamber of Commerce—the motor manufacturers' association of the Dominion — it may be said to assume a definitely national character and importance.

Toronto is a logical centre for such an exhibition, it being the most centrally situated of the large cities of the Dominion and in the province that includes practically all the automotive manufacturing plants in Canada and provides the industry with almost half of its entire domestic market.

In the palatial Automotive Building of the Canadian National Exhibition the 1932 models will have a fitting setting and one at the same time advantageous to the manufacturer, dealer and the public. It holds the distinction of being the only building on this continent specifically designed for an automobile exhibition. It provides a setting commensurate with the importance of the industry.

Value of Industry to Canada

In 1930—the last year for which official statistics are available—over sixteen separate factories were in operation belonging to eleven companies engaged in manufacturing or assembling cars in Canada. The number of plants has been greatly added to during the past year and is today at least twenty-five.

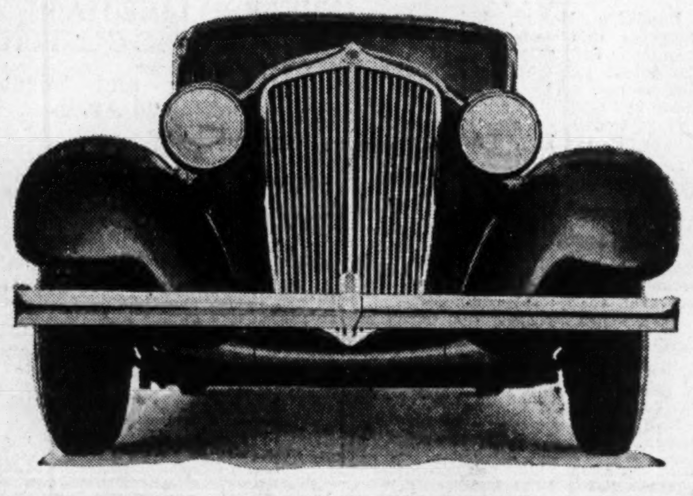
Sales value at the plant of automobiles alone, amounted, in 1930, to nearly $92,000,000, while the peak, which was established in 1929, was $163,500,000. In that year the total production of the industry had a value of over $177,300,000. Total of salaries and wages paid in 1930 was nearly $20,000,000, while the cost of materials used amounted to $67,000,000 net. The value added by manufacture was over $34,700,000. Exports had a total value of over $20,000,000, while in 1929 they amounted to $47,000,000.

These are big figures and serve to indicate the magnitude and value of the industry to Canada.

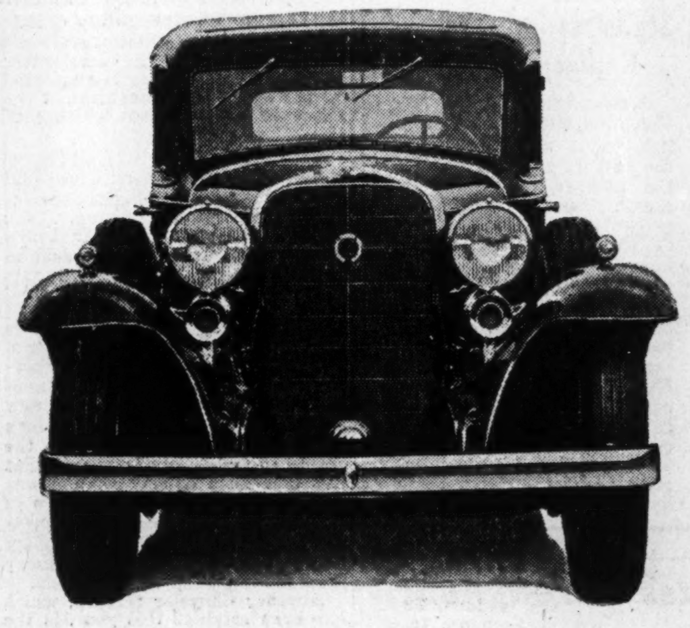
The Toronto Show comes at a time when public interest in 1932 models is at its height, and the Show is being regarded by manufacturers as a definite signpost as to the potentialities of the Canadian market for 1932. Their confidence is demonstrated by the innovations and refinements offered in even the lowest priced cars, and if their expectations are realized—if sales come up to the level looked for this year, they believe that not only the motor industry but the country generally will be one step nearer general business recovery.

The display of cars will form a comprehensive representation of makes available to Canadian buyers and will include a number of models not yet shown at any other show in Canada, while arrangements have been made for several special attractions. Sir Dennistoun Burney's new car of radical "tear-drop" design with its engine at the rear, which has caused intense interest in automotive circles in Great Britain and Europe, will be there. Orchestras, a cabaret and dining room facilities will add to the entertainment and comfort of visitors who, it is expected, will attend in large numbers to see what engineers and coach-builders have devised to add to the pleasures, comfort and economies of road travel. Over twenty-five different makes of passenger cars and probably four times as many models will be exhibited—the majority of them now manufactured to a large extent in Canadian plants.

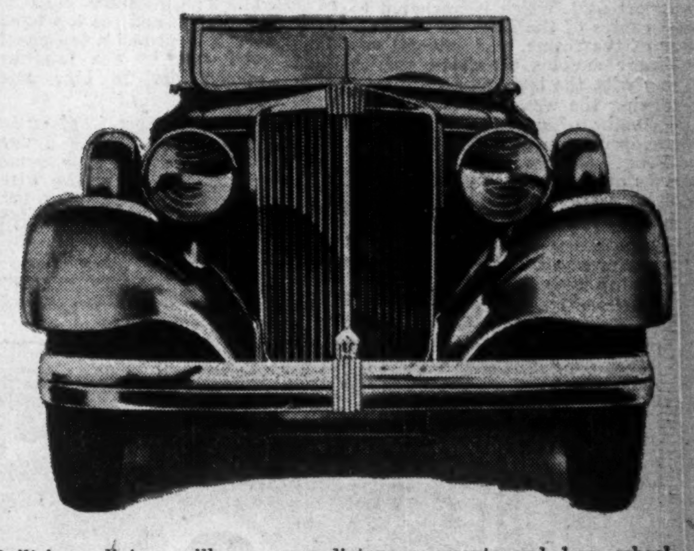
The chief appeal to business men, however, will lie in the values that are being offered in every price field, the new engineering features and improvements which are now available and included in prices which are no higher than last year.



Clean, smooth design is epitomized in the new Graham "Blue Streak" Eight, as the above head-on picture shows. The reduced overall height is also indicated. The new V-fronted radiator is inclined forward toward the bottom, adding to the general streamline effect of the whole car.



Front view of the 1932 V-12 Cadillac, with Fleetwood sedan body. The tapering bonnet and oval radiator shell add personality to this big and powerful car, which heads the General Motors line for 1932.



Built-in radiator grilles, new radiator ornament, and low, wheel-fitting fenders give a distinctive appearance to the new Hupmobile models. Note the clean design of the headlight brackets, tapering bonnet and narrow windshield.

This Year's Cars Make Big Appeal To Spring Buyers

1932 Models Said to Embody More Engineering Improvements Than Any Presentation in Automotive History

WIDE RANGE OF MODELS OFFERED

Mechanical Features Quite Unknown Two Years Ago Now Make Their Appearance as Standard Equipment Upon All Models from Cheapest to the Most Expensive

When the depression has passed into history and its story is told, it may well be that the courage of the leaders in the automotive industry will stand out as one of the epics of the times. It will be told how in the winter of 1931-32, after a year that will probably become known as the one in which business, and in particular the motor business, was at its lowest ebb, the motor manufacturers set out to blaze the trail to a new prosperity.

It is doubtful if any year-end even in the most prosperous times has seen such a number of changes in design or such a widespread adoption of all the newest engineering improvements by cars in every price field, from the lowest to the highest, as has been seen this year. Manufacturers decided to give everything they had. Every inducement has been offered the motoring public to trade in old cars for new.

Former Models Completely Effaced

The present models make the cars of only two years ago amazingly obsolete. Thus, it is recalled that it was only in June, 1930, that free-wheeling was first introduced by Studebaker. In 1931 a few other makes, mostly in the medium-expensive class, incorporated the new feature. In 1932 every make, even in the lowest price range have it in one form or another—it is standard equipment on almost all. This has happened in the short space of 20 months.

A similar thing has occurred in regard to synchronized gear-shift mechanism. A year ago these "innovations" were being written-up in detail; now, every motorist is familiar at least with the effect they produce if not with the mechanical details, which, as a matter of fact, vary with the different makes.

Automatic Clutch Here To Stay

A new form of free-wheeling made its appearance during last year in the automatic clutch, first introduced into Canada by the McLaughlin-Buick. This feature is an automatic clutch release, operated by the accelerator pedal through a vacuum-control. When pressure on the accelerator is relieved the clutch is automatically disengaged without the use of the clutch-pedal and thus, if the car is in motion, the car rolls along of its own momentum while the engine dies down to its normal idling speed. Furthermore, the car may be brought to a standstill with the engine running and in gear, and put into motion again with no other effort on the part of the driver but the pressing down of the accelerator pedal, since such action both speeds up the engine and engages the clutch, gradually, at the same time. A button in the floor by the driver's left foot, or on the dash, makes it possible to cut out the automatic feature, and drive the car in the conventional manner, if desired.

Passengers Comfort Enhanced

A year ago, too, "ride control" had not made its appearance. This is a feature which allows the pressure in the shock absorbers to be varied—while the car is in motion—to suit different road and speed conditions. It appears in two forms: automatically adjustable, or controlled by the driver, and it affords added riding comfort under bad road conditions. This feature has been widely adopted on the 1932 models and can be expected to become standard equipment in the future.

Again, "floating power" was introduced only a few months ago by the Plymouth. This has now been extended to the entire Chrysler family including Dodge and DeSoto and seems to be one of the big advances in the problem of eliminating vibration, permitting the engine to rock within certain limits independently of the frame. It is achieved by replacing one of the ordinary engine mountings by a laminated spring affixed to the frame. The independent rocking movement of the engine can be easily seen if the throttle is suddenly opened.

Engine Vibration Eliminated

While this specific manner of preventing engine vibration from being transmitted to the chassis is only used on the Chrysler products, all makers have made extensive use of rubber for insulating both engines and bodies. Heavy rubber blocks between the engine brackets and frame tend greatly to lessen vibration, while bodies are rendered less liable to squeaks and rattles and also to draughts of air by means of plastic rubber, felt and other insulating material.

Stalling Now Impossible

The "startix" switch-key starter is an important addition to a great many 1932 models. By this device the engine is started by the turning of the ignition key. Should the engine stall it is immediately started up again automatically so that stalling is practically eliminated—a feature of first class value considering the danger that frequently attends such an occurrence. A further virtue of the switch-key starter is that it is impossible for a driver to stop his engine and leave the ignition on to drain his battery. This is one of the recent contributions of the Bendix Corporation, which is also responsible for the automatic or vacuum clutch.

Another Interesting Development

An important feature introduced by the Auburn company this year is the "dual ratio" axle, by which the final drive, that is, at the rear axle, may be stepped-up at will. Axle ratio is the relation of the engine speed to the road wheels, and "dual ratio" virtually affords a second set of gear ratios, allowing engine speed to be cut down below the normal for any given road speed. While this feature is not likely to become commonly adopted, it has much merit in that it permits of a high touring or cruising speed to be maintained, under favorable road conditions, without feeling that the engine is being raced excessively and further reduces gasoline consumption because of the lower engine speed.

Automatic Choke Operation

Among other improvements introduced recently are automatically controlled chokes. This feature does away with the plunger on the instrument board, the choke being adjusted according to the requirements of the engine by automatic means. Thus, pressure on the starter opens the choke, which gradually closes again as the engine warms up by means of thermostatic control so that the correct mixture is delivered to the cylinders under all conditions. Oil cooling and temperature regulation is also now embodied in many engines, affording improved lubrication.

In addition to the above and other mechanical refinements many revised designs are to be seen in the new bodies and general appearance. V-fronted radiators are the rule, and improved streamlining universal, this being achieved by reduced overall height, inclined windshields, curved roofs and bodies sloping outwards at the rear, while the absence of exterior fittings is particularly noticeable. In this regard, nearly all makers have discarded the old outside sun-visor above the windshield and replaced it with an internal shade fitted to the roof which can be adjusted by the occupants of the front seat.

Safety of passengers has received attention in the adoption by several makers of shatterproof glass as standard equipment in all models, while many others offer this feature at the option of the purchaser at extra cost.

Specifications and Prices of Current Car Models

(Prepared by The Financial Post)

Make	Model	Wheelbase Inches	Cylinders No. and Capacity	N.A.C.C. Rating h. p.	Brakes Type	Tires Size	Prices f.o.b. fact. taxes extra	Free Wheel	Silent Mesh	Ant. Clutch	Other Standard Mech. Features
Cadillac V-8	355.B	134/140	8, 3⅜x4 15/16	36.45	M	17x7.00	$4300-4900	Yes	Yes	Yes	Adj. Shock Absorbers.
V-12	370.B	134/140	12, 3⅛x4	46.9	M+B	17x7.50	$5000-7700	Yes	Yes	Yes	Adj. Shock Absorbers.
V-16	452	143/149	16, 3 x4	57.5	M+B	18x7.50	$9100 & up	Yes	Yes	Yes	Adj. Shock Absorbers.
Chevrolet		109	6, 3 5/16x3¾	26.3	M	18x5.25	$ 655- 915	Yes	Yes	No	
Chrysler	C.I. 6	116½	6, 3¼x4½	25.35	H	18x5.50	$1195-1295	Yes	Yes	+$11	Floating Power.
	C.P. 8	125	8, 3¼x4½	33.8	H	17x6.50	$2025-2075	Yes	Yes	Yes	Floating Power.
	De Luxe C.L. 8	135/146	8, 3½x5	39.2	H	17x7.50	......	Yes	Yes	Yes	Floating Power.
	Imperial C.H. 8	135/146	8, 3½x5	39.2	H	17x7.00	$2695-2725	Yes	Yes	Yes	Floating Power.
De Soto	S.C.	112½	6, 3¼x4¼	25.35	H	18x5.25	$ 975-1175	Yes	Yes	+$11	Floating Power.
Dodge	D.L. 6	114¼	6, 3¼x4⅜	25.35	H	18x5.50	$1095-1260	Yes	Yes	+$11	Floating Power.
	D.K. 8	122	8, 3¼x4¼	33.8	H	18x6.00	$1545-1640	Yes	Yes	Yes	Floating Power.
Essex	Super 6	113	6, 2 15/16x4¾	20.7	Ca.	18x5.25	$ 995-1165	Ex	Ex	No	Startix; ride control.
Graham	"Blue Streak"	123	8, 3⅛x4	31.25	H	17x6.00	$1495-1670	Yes	Yes	No	Ride Control.
Hudson	Standard	119	8, 3 x4½	28.8	Ca.	17x6.00	$1470-1615	Ex	Ex	No	Startix; ride control.
	Sterling	126	8, 3 x4½	28.8	Ca.	17x6.00	$1865-1895	Ex	Ex	No	Startix; ride control.
	Major	132	8, 3 x4½	28.8	Ca.	17x6.50	$2095-2325	Ex	Ex	No	Startix; ride control.
Hupmobile	216	116	6, 3⅜x4¼	27.34	St.	18x5.50	......	Yes	S.S.	No	Ant. shock absorbers and chassis stabilized on all models.
	222	122	6, 2 15/16x4⅝	27.61	St.	17x6.00	......	Yes	S.S.	No	
	226	126	6, 3 1/16x4¾	30.01	St.	17x6.50	......	Yes	S.S.	No	
La Salle	345 B	130/136	8, 3⅜x4 15/16	36.45	M	17x7.00	$3700-4200	Yes	Yes	Yes	Adj. Shock Absorbers.
McLaughlin-Buick	850	114	B, 2 15/16x4¼	27.61	M	18x5.50	$1325-1625	Yes	Yes	Yes	Adj. shock absorbers and oil temperature regulator on all models.
	860	118	8, 3 1/16x4⅝	30.02	M	18x6.00	$1725-2030	Yes	Yes	Yes	
	880	126	8, 3 5/16x5	35.12	M	18x7.00	$2085-2280	Yes	Yes	Yes	
	890	134	8, 3 5/16x5	35.12	M	18x7.00	$2410-2915	Yes	Yes	Yes	
Oldsmobile	F-32	116½	6, 3 5/16x4⅛	26.3	M	17x6.00	$1210-1390	Yes	Yes	No	Adj. shock absorbers, oil temp. regulator and ant. choke control standard all models.
	L-32	116½	8, 3 x4¼	28.8	M	17x6.00	$1350-1445	Yes	Yes	No	
Packard	Light 8	127¾	8, 3 3/16x5	32.5	M	17x6.50	......	No	Yes	Yes	Adj. Shock Absorbers.
	Std. 8	129/136	8, 3 3/16x5	32.5	M	17x6.50	......	No	Yes	No	Adj. Shock Absorbers.
	De Luxe 8	142/147	8, 3½x5	39.2	M	19x7.00	......	No	Yes	No	Adj. Shock Absorbers.
	Twin 6	142/147	12, 3 7/16x3½	56.7	M	18x7.00	......	No	Yes	No	Adj. Shock Absorbers.
Pierce-Arrow	52	142/147	12, 3⅜x4	54.6	M	18x7.00	$5770-6425†	Yes	Yes	Yes	Startix; adj. shock absorbers; ant. radiator shutter standard all models.
	53	137/142	12, 3¼x4	50.7	M	18x7.00	$4575-5775†	Yes	Yes	Yes	
	54	137/142	8, 3½x4¾	39.2	M	18x6.50	$3585-4715†	Yes	Yes	Yes	
Plymouth	P.A.	110	4, 3⅝x4¾	21.03	H	19x4.75	$ 655-845	Yes	Yes	+$11	
Pontiac	402	114	6, 3 5/16x3⅞	26.3	M	18x5.25	$ 950-1160	Yes	Yes	No	Adj. Shock Absorbers.
Rockne	65	110	6, 3⅛x4⅛	23.4	M	......	$ 795-1010†	Yes	Yes	No	Startix; adjustable shock absorbers.
	75	114	6, 3¼x4⅛	25.4	M	......	$ 975-1190†	Yes	Yes	No	
Studebaker	6	117	6, 3¼x4⅝	25.4	M	......	$1175-1450†	Yes	Yes	No	Startix adj. shock absorbers.
	Dictator 8	117	8, 3 1/16x3¾	30.0	M	......	$1375-1650†	Yes	Yes	No	
	Commander 8	125	8, 3 1/16x4¼	30.0	M	......	$1955-2350†	Yes	Yes	No	
	President 8	135	8, 3½x4⅜	39.2	M	......	$2460-2970†	Yes	Yes	No	

B Brake booster. Ca Cable. H Hydraulic. M Mechanical. St. Steeldraulic. † Bumpers and spare tires extra.

Eastern Sales in Past Year Show Changes

The ten most popular cars in Canada last year, judged from the standpoint of sales in the four eastern provinces of Ontario, Quebec, New Brunswick and Nova Scotia, were: Chevrolet, Ford, Pontiac, McLaughlin-Buick, Plymouth, Chrysler, Durant, Essex, Dodge and Oldsmobile, in the order named. This analysis is based upon sales figures supplied to Canadian Automotive Trade by Might's Directories, Ltd., Toronto.

Changes in position in comparison with 1930 are that Chevrolet ousted Ford from first place, Durant slipped from third to seventh position, and Essex fell back from sixth to eighth, the others shifting en bloc accordingly.

Good Chevrolet Gain

Ford sales dropped from 24,605 to 14,111. Chevrolet, on the other hand, made a gain, registering 14,373 sales as compared with 13,526 in 1930. Pontiac also showed increased sales at 4,046, as against 4,034. All others of the ten leaders showed recessions, Plymouth dropping from 3,804 to 2,572; McLaughlin-Buick from 3,413 to 2,983; Chrysler from 2,321 to 2,033; Durant (with which in 1931 are included 117 Frontenacs) from 4,355 to 1,938; Essex from 3,187 to 1,877; Dodge from 1,574 to 1,559; Oldsmobile from 1,602 to 1,526.

Total sales of all makes for the four provinces in 1931 numbered 55,686 cars, as compared with 76,714 in 1930 and 114,362 in 1929.

Ford led the field in truck sales, with 3,956 vehicles sold, Chevrolet coming second with 3,205. Dodge and G. M. C. were third and fourth, with 599 and 583 respectively. International, Rugby and Studebaker followed in order. Total truck sales were 10,882 for the four provinces, compared with 13,944 in 1930.

New Luxury Gadgets

Besides many accessories of a mechanical way designed to make the road smoother for the motorist, there are some new accessories of the luxury class. For instance, one car is provided with a cigar lighter that not only lights the weed for the smoker but takes the first few puffs as well to provide the necessary "draw." Another lighter combines a clock, memo pad, pencil, and holder for 20 cigarettes.

MOTOR INDUSTRY "SIGNS" FOR 1932 MORE HOPEFUL

Several Factors Presage a Revival of Trade

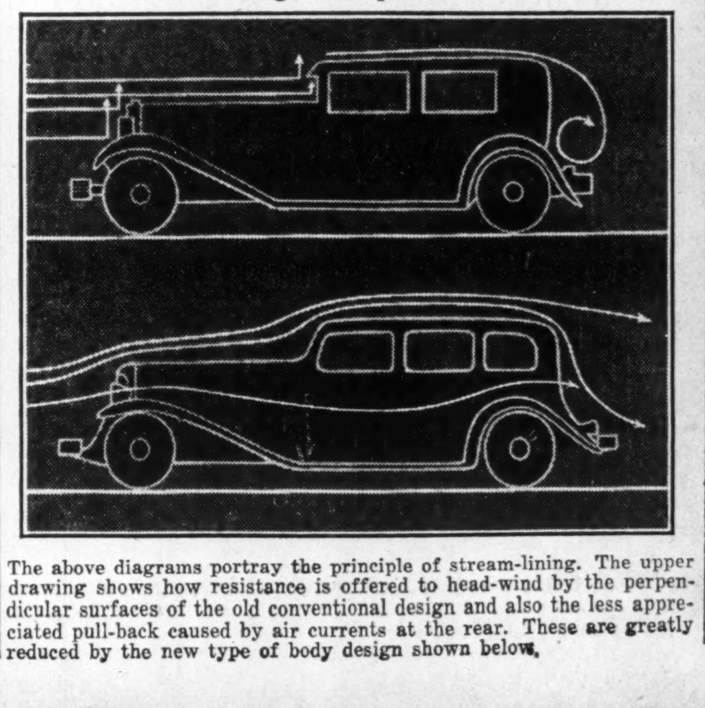
What are the "signs" for 1932 in the automobile industry? While it would be foolish to prophesy what the future holds, a survey of the situation reveals a number of interesting developments and some basis for reasonable confidence.

Firstly, in regard to foreign trade. While the number of cars produced for export in 1931 was only about 50 per cent of the 1930 figure, some hope of improvement lies in the probable development of Empire trade, and if, as an outcome of the approaching Imperial conference, it is made more possible for the Canadian automotive industry to cater to the requirements of the sister dominions, an upturn is assured. Trade with New Zealand has not been possible for some time, excepting for a brief term, while that with Australia and some of the colonies has been intermittent.

Regarding domestic business, it does not seem possible that replacement buying can be held up for another year when it has already been postponed well beyond the average term. So much so that the number of cars due for trading-in this year is about 20 per cent higher than in any previous year in the history of the industry. Moreover, while faith in "cycles" has been considerably shaken by the course of the depression, consumption figures over a long period of years appear to reveal a distinct cycle every three years since 1910. If this should persist, an upswing is due in the present year.

Looking back on the two years just closed, the view is not one of unrelieved murk. First of all, production and consumption have balanced, indicating a lesson learned. Management of plants has improved. Low production has not caused unit cost per car to soar upward as might have been expected. Retail dealer organization is more stabilized. Engineering advancements have been induced by the need for stimulating public demand. And, finally, as a result of the employment situation the long-awaited Trans-Canada highway is several hundreds of miles nearer completion.

Streamlining Principles Illustrated



The above diagrams portray the principle of stream-lining. The upper drawing shows how resistance is offered to head-wind by the perpendicular surfaces of the old conventional design and also the less appreciated pull-back caused by air currents at the rear. These are greatly reduced by the new type of body design shown below.

Canada's Greatest NATIONAL MOTOR SHOW

March 5-12

AUTOMOTIVE BUILDING

Exhibition Grounds TORONTO

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ALL NEW MODELS

THE "TEAR-DROP" CAR

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MUSIC - DINING and DANCING to these Orchestras:

LUIGI ROMANELLI and his King Edward Hotel Orchestra

RAY DAW - FRED CULLEY

ERNEST DAINTY and his Vagabonds

GEOFFREY WADDINGTON and his Boosters

RONNIE HART

DON ROMANELLI and his Royal York Orchestra

AND A FAMOUS HEADLINE ATTRACTION

Sponsored by Canadian Automobile Chamber of Commerce

1932 CHEVROLET HAS SYNCRO-MESH AND FREE WHEEL

"Confederation" Model Shows Many Other Notable Changes

The Chevrolet probably shows more extensive mechanical additions and improvements this year than any annual model since the car was changed from a four to a six, in 1928. While remaining in the lowest price class, the new Chevrolet embodies, as standard equipment, the majority of major engineering advancements which its higher priced contemporaries boast.

Outstanding among these is the combination of synchro-mesh transmission and free-wheeling. The horsepower of the six-cylinder engines have been increased by about 20 per cent, giving higher speed and quicker acceleration, while the counter-balanced crankshaft and improved type of engine mounting contribute to the car's smoother performance.

Twenty Body Styles

The "Confederation" model, as it is known, is built on a wheelbase of 109 inches, the same as last-year's models, and is obtainable in twelve standard body styles, three open and nine closed, all in new duco color combinations, and all new Fisher designs. In addition, eight models are available with De Luxe equipment providing, in all, a selection of twenty different body styles. This year's prices range from $655 up to $915, f.o.b. Oshawa, taxes extra.

On all closed bodies, an attractive streamline front has been adopted, with sloping front pillars, blending into the curve of the top. The sun visor, formerly on the outside, is replaced by an international unit which is adjustable from the driver's seat. A large cowl ventilator, also controlled from the driver's seat, is provided to give ventilation without opening the windshield.

Weaving Reduced

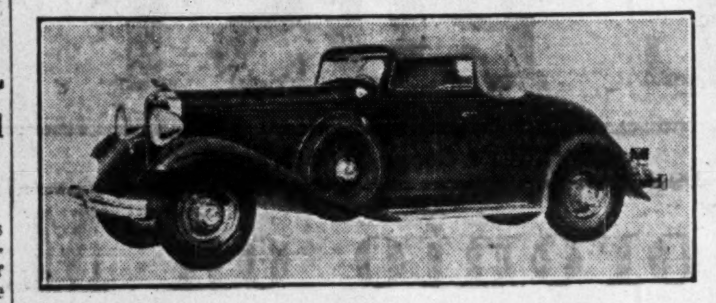
The fenders, radiator and headlamps are carried on a single fender support unit, which is anchored to the centre of the front cross-member of the frame. This pivotal anchorage enables the front end to sway with the body as a unit, thus reducing the weave as well as the possibility of squeaks and rattles developed at points of stress.

Front fenders have a deeper crown and skirts, and a wider bead coming to a point at the front tip of of the fender. Headlamps, parabolic-shaped, with convex lens, are fully chrome plated and are longer and narrower than last year to emphasize the impression of speediness. Headlamps are mounted on the tie-bar, as is the new trumpet-shaped horn, mounted externally beneath the left headlamp.

The radiator is entirely new in design and construction. The exposed core area is larger than last year for better cooling, and a new grille is built integral with the radiator in all models. This grille has square meshes stamped in relief, with the vertical lines accentuated to increase the appearance of height. The radiator shell is chromium plated, and the top band has a narrow bead and a top panel embellished only by the familiar Chevrolet emblem in blue and white.

A longer appearance is given to the 1932 models by the lower bodies, while retaining the same wheel base as last year. The wire wheels are smaller in diameter, but the tire section has been enlarged to 18 by 5.25.

New Dodge-8 is in $1,500 Class



The new Dodge Eight has "floating power," freewheeling, silent gear selector and silent transmission on second speed, and automatic clutch as standard. Prices of the eight range from $1,545 to $1,640, and of the six from $1,095 to $1,260 f. o. b. factory. The model depicted above is the Eight with convertible coupé.

Oldsmobile Presents New Eight

Above is a picture of the new Eight which Oldsmobile adds to its line this year. The body is a standard 5-passenger sedan which sells at $1,445, f. o. b. Oshawa, including freewheeling, silent-mesh transmission, oil temperature regulator, adjustable shock-absorbers, self-decarbonizer and automatic choke. A new line of Sixes is also offered.

Statistics Indicate Replacement Delay

A calculation made by the Dominion Bureau of Statistics, based upon figures of the past six years, shows that the number of cars withdrawn from use each year amounted to about 7 per cent of the number of licenses issued in the preceding twelve months.

Applying this percentage it is estimated that the number of worn-out cars needing replacement in 1931 was 85,600. As only 78,720 new cars were placed on the roads there has apparently been a carryover of approximately 7,000 cars needing replacement which ordinarily would have been scrapped.

CHRYSLER ADOPTS FLOATING POWER FOR ALL MODELS

Sixes and Eights Are Offered, From $1,195 Up

Foremost among the many new features offered on the Chrysler lines for 1932 is the new principle of vibrationless engine mounting, described as floating power. Other important standard mechanical features include free wheeling, silent gear selector, centrifuse brake drums, double-drop girder-truss frame, and the Chrysler patented Oilite squeak-proof springs.

The 1932 string comprises four new series of cars, with 20 body models. They are the six with a 116-inch wheelbase and six body models, the eight with 125-inch wheelbase and five bodies, the Imperial eight with 135-inch wheelbase and three bodies, and the Imperial custom eight with 146-inch wheelbase and six body models.

Automatic Clutch

Automatic clutch mechanism is fitted as standard on all models except the six, on which this feature is available at option. This is one of the engineering advances which made its appearance last year and enables a car to be driven without touching the clutch pedal with the left foot. By means of a vacuum control mechanism, whenever the accelerator pedal is in the normal rest position the clutch is disengaged, the only action necessary on the part of the driver, when either starting from a standstill or changing gear, or even in using reverse, is the depression of the accelerator pedal. Gear changing is simplified by the additional refinement of the silent gear mechanism which precludes any clashing of gears.

The hydraulic brakes on all Chrysler models are designed to give equal pressure on all four wheels, eliminating side pull and swerving. This, in conjunction with larger brake drums of revised design is said to make for uniform efficiency.

Low Appearance

A noticeably low appearance is achieved on the new models by a new double-drop feature incorporated in the frame design, while added stability is obtained by new girder-truss construction, which diminishes the tendency of the frame to twist. It is stated that this new form of construction was necessitated by the introduction of floating power whereby the supporting and bracing effect of a rigidly mounted engine was taken away from the front end of the chassis.

Another Chrysler feature, which has been retained this year, is the Oilite squeak-proof springs, the principle of which is owned by the Chrysler company. Between each leaf of the spring, an insert of "Oilite" metal is placed. This metal is stated to be 40 per cent oil by volume, so that constant lubrication is provided, preventing any friction or sticking.

Prices of the new models are quoted f.o.b. factory, taxes extra, as follows: Chrysler six, including free wheeling and silent shift, $1,195 to $1,295. Automatic clutch on this model is optional. Chrysler eight, including the three features mentioned, $2,035 to $2,075; Chrysler Imperial eight, including free wheeling, automatic clutch and multi-range transmission, $2,695 to $2,725.

STRAIGHT-8 CAR ADDED TO LINE BY OLDSMOBILE

Priced from $1,350 to $1,530; Improved Sixes from $1,210

An entirely new straight-eight marks the Oldsmobile offering for 1932, combined with a more powerful six. Both embody the chief recent engineering advances combined with revised body designs by Fisher. The standard models available in both series are: 2-door sedan, business coupé 4-door sedan, sports coupé, convertible roadster, and "Patrician" 4-door sedan.

Prices of the 1932 six range from $1,210 to $1,390, and of the new eights from $1,350, f.o.b. factory, taxes extra. Both series are equipped with selective free-wheeling, synchro-mesh transmission with silent second gear, double-action hydraulic shock absorbers, dash controlled.

Automatic Choke Control

Additional engineering features include an oil temperature regulator, automatic decarbonizer and automatic choke control. The former choke control button has been removed from the instrument panel and choke operation is now entirely automatic, being operated by a thermostatic coil located close to the exhaust manifold. When the engine is cold the choke is opened. and as the engine warms up choking gradually diminishes, so that proper mixture is obtained under all conditions.

The output of the power unit of the six has been increased by enlarging the bore of the cylinders. and re-designing the cylinder heads.

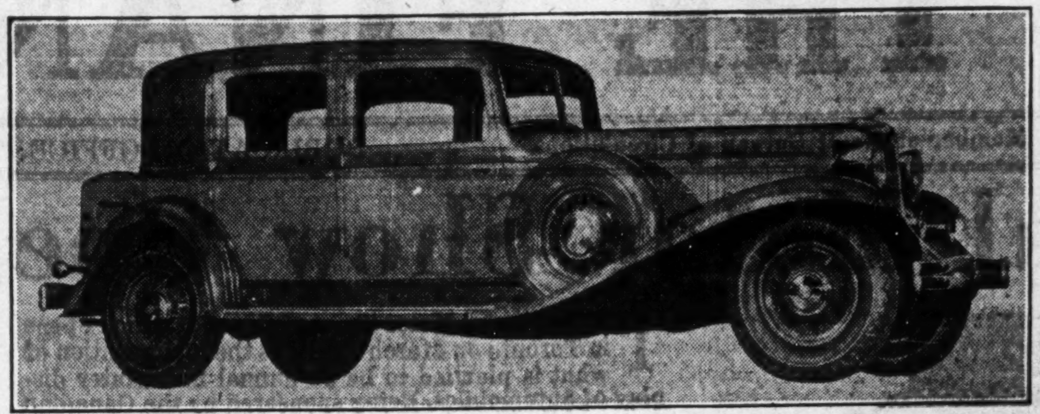
Tires Are Larger

Riding comfort also has received attention in the use of larger tires, Marshall-type seat cushion springs and a further degree of insulation against noise. This last feature includes a resonant type intake silencer and an improved muffler. while increased used of body insulation largely reduces vibration. The low streamline contour has been retained on all Oldsmobile bodies, as has also the ovoid radiator. As a result of the large chassis, added seating space and leg room is provided. The rear seat is wider and the rear compartment roomier in the 1932 models. Front seats are adjustable by means of a small handle release. The instrument panel is easily visible and instruments are of new aeronautical design compactly grouped.

Punctureless Highways

Accidents due to punctured tires have caused the Michigan highway department to experiment with a magnetic machine to pick up pieces of metal from roads. The machine, which is a rotary electro-magnet hitched to the back of a truck, operated over the roads of southern Michigan, during 1931.

All Chrysler Models Feature Floating Power



This is the new Custom-Imperial Chrysler (eight) with close-coupled sedan body, on a wheelbase of 145 inches. Standard features of this model include freewheeling with multi-range transmission, automatic clutch and hydraulic brakes. The omission of all exterior fittings possible, including the sun visor, is noticeable. Chrysler also offers standard sixes and eights, prices ranging from $1,195 to $1,295 and from $2,025 to $2,075 respectively, f. o. b. factory.

NEW FRONTENAC HAS MODERN LINES

Freewheeling and Startix Included — New Durant Six

Dominion Motors, Ltd. are announcing this week a new line of Frontenac cars that embody many of the latest mechanical features and refinements. The line includes a sedan and coupé, in both standard and de luxe models, and a de luxe convertible coupé. An improved Durant 6-18 is also offered, this being available in a sport roadster, special and de lux coupé and special de luxe sedan.

Among the chief features of the new Frontenac Six are freewheeling, silent gearshift mechanism, Startix ignition-switch-starter, steeldraulic brakes, two-way shock absorbers and improved spring suspension.

Freewheeling is of the selective type, operative on all forward speeds, while gear shifting is simplified by a device which eliminates any clashing of gears. The power unit is a "Red Seal" Continental motor.

Bodies are of a revised streamline design, mounted on a double-drop frame which gives a low centre of gravity, added stability, and a generally low appearance without reducing the head-room. The radiator is of the latest V-section of ample capacity. Wire wheels are standard equipment on all models. Prices range from $898 to $1,065, f. o. b. factory, taxes extra.

NEW REO LINE HAS AUTOMATIC CLUTCH

Free-Wheeling and Silent Second Speed Available

One of the chief changes which the Reo line will show this year is the new automatic clutch, for which several advantages are claimed. In addition to making possible the complete engagement or release of the clutch by depressing a button a half inch, the new device makes it possible for the driver to hold the clutch as long as desired at any intermediate position between the two extremes. This control is entirely independent of the accelerator pedal.

When requiring to free-wheel the driver depresses the control button; when the button is released the car may be driven in the conventional manner. The automatic clutch is standard on Reo-Royale models, but may be applied to others, or to cars now in service, at extra cost.

Among the other features of the new Reos—which are now being built in Canada by Dominion Motors, Ltd., Toronto—are adjustable front seats, self-equalizing hydraulic brakes, silent-second transmission.

SUPER BALLOONS ENTER TIRE FIELD

The latest development in the automobile tire field which has just made an appearance is the super-balloon, which carries only from 10 to 15 pounds air-pressure.

This is an off-shoot of the low-pressure balloon-type tires used of recent years for aeroplanes, and it has been adapted for use on automobiles with a view primarily of increasing riding comfort.

A perhaps even more important feature, however, is the reduction of the skidding hazard, due to the larger contact-surface afforded, for these new super-balloons are about 13 x 9, approximately twice the cross-section of the small-car tire while the air-volume is quadrupled.

NEW STUDEBAKERS MARK ADOPTION OF SAFETY-GLASS

Also Automatic Starters and Ride Control on All Models

Increased wheelbases, new body designs carrying safety glass throughout, free-wheeling, synchro-shift, automatic starting, automatic ride control and automatic spark control, are the chief characteristics of Studebaker's new line of motor cars for 1932.

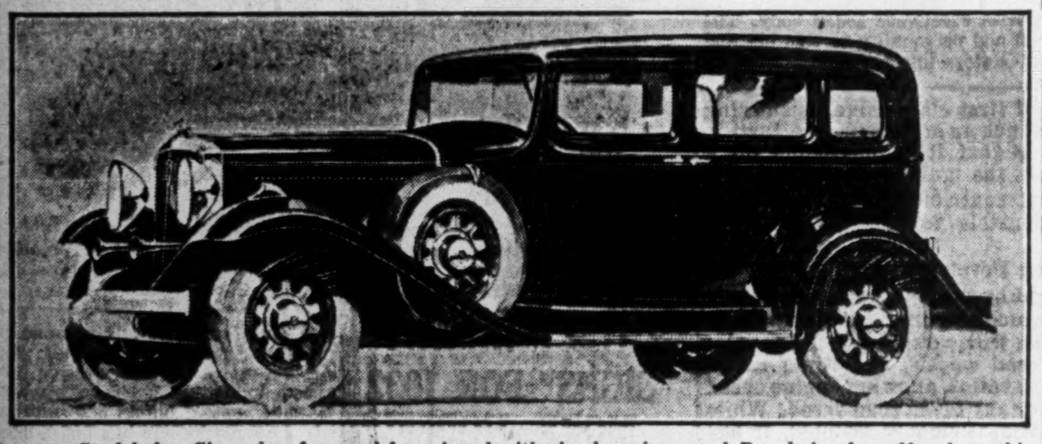
Twenty-two models are offered. The President Eight, which has a wheelbase of 135 inches and will sell in Canada for $2,460 to $2,970; the Commander Eight, wheelbase 125 inches, of which prices will range from $1,955 to $2,350; the Dictator Eight, wheelbase 117 inches, priced from $1,375 to $1,650; and the Studebaker Six, on a wheelbase of 117 inches, to sell from $1,175 to $1,450. Prices are f.o.b Walkerville taxes extra. Bumpers and spare tires are not included in these prices.

One of the chief refinements in the new Studebakers is the use of safety glass in windshields and windows of all models at no extra cost. The new "Aircurve" design of bodies is accentuated in the new models by inclined windshields and windshield pillars and sloping front doors, while the peak panel is visorless.

A new device in connection with the free-wheeling is a dial on the dash which indicates whether the car is in free-wheeling or the conventional drive.

All Studebaker models feature automatic starting, by which the turning of the key in the ignition lock instantly starts the engine. Another refinement is vacuum spark control. This device automatically retards the spark about 6 degrees during acceleration with wide open throttle, lessening the possibility of ignition knocks.

1932 Studebakers Have Safety Glass Throughout



The new Studebaker-Six sedan for five, on a wheelbase of 117 inches, which is priced at $1,280 f. o. b. Walkerville, taxes, bumpers and spare tire extra. A special "Regal" model, equipped with six chromium steel-spoke wheels, trunk rack and dual horns mounted below the headlamps, is available at extra cost. A convertible sedan, both standard and Regal, is also offered on this wheelbase. All Studebaker models are equipped with shatter-proof glass all around.

CHRYSLER

challenges with these questions

WHAT IS THERE TO MATCH CHRYSLER'S

FLOATING POWER ?

All of the finer, more beautiful new Chryslers have Floating Power *— an entirely new type of engine suspension—which takes first place among the engineering developments of modern times. Revolutionary in principle — sensational in results.*

WHAT TO MATCH CHRYSLER'S **AUTOMATIC CLUTCH?** *Completely Automatic.* Makes driving supremely simple. Nothing for your left foot to do.

WHAT TO MATCH CHRYSLER'S **SILENT GEAR SELECTOR?** Effortless, instant, clashless selection of a higher or lower gear at any car speed—as easily as moving a lead pencil.

WHAT TO MATCH CHRYSLER'S **FREE WHEELING?** Chrysler's Free Wheeling is an entirely separate unit at the rear of the transmission.

WHAT TO MATCH CHRYSLER'S **HYDRAULIC BRAKES?** They never need lubrication. Always *equalized* because they equalize themselves.

WHAT TO MATCH CHRYSLER'S **CENTRIFUSE BRAKE DRUMS?** A steel drum with cast-iron lining—the drum and the lining *permanently* fused together. Brakes that last longer, remain cooler, retain uniform efficiency.

WHAT TO MATCH CHRYSLER'S **ALL-STEEL BODY?** Chrysler steel bodies are of *all-steel* construction, rigidly reinforced and welded into one piece. Sound-insulated.

WHAT TO MATCH CHRYSLER'S **DOUBLE-DROP GIRDER-TRUSS FRAME?** A frame of entirely new design. Amazingly rigid construction — a distortion-proof foundation for the body.

WHAT TO MATCH CHRYSLER'S **OILITE SQUEAK-PROOF SPRINGS?** Regardless of mud, snow, ice or dirt, these springs will not squeak. Springs that never need lubrication. Standard on all three new Chrysler Eights.

WHAT TO MATCH CHRYSLER'S **SPEED AND PICK-UP?** You may never care to drive 75 — 85 — 90 miles an hour, but the great power that makes these speeds possible makes Chrysler performance the most enjoyable under the sun.

WHAT TO MATCH CHRYSLER'S **EFFORTLESS STEERING?** Women especially enjoy Chrysler steering. It not only makes driving easier, but it is so much easier to park.

NEW CHRYSLER SIX
Six Body Models . . . . . . $1195 to $1295
(Automatic Clutch on all Sixes at slight extra cost).

NEW CHRYSLER EIGHT
Three Body Models . . . . . . $2025 to $2075

NEW CHRYSLER IMPERIAL EIGHT
Two Body Models . . . . $2695 to $2725

NEW CHRYSLER IMPERIAL CUSTOM EIGHT
Six Body Models (Prices furnished on specifications required)

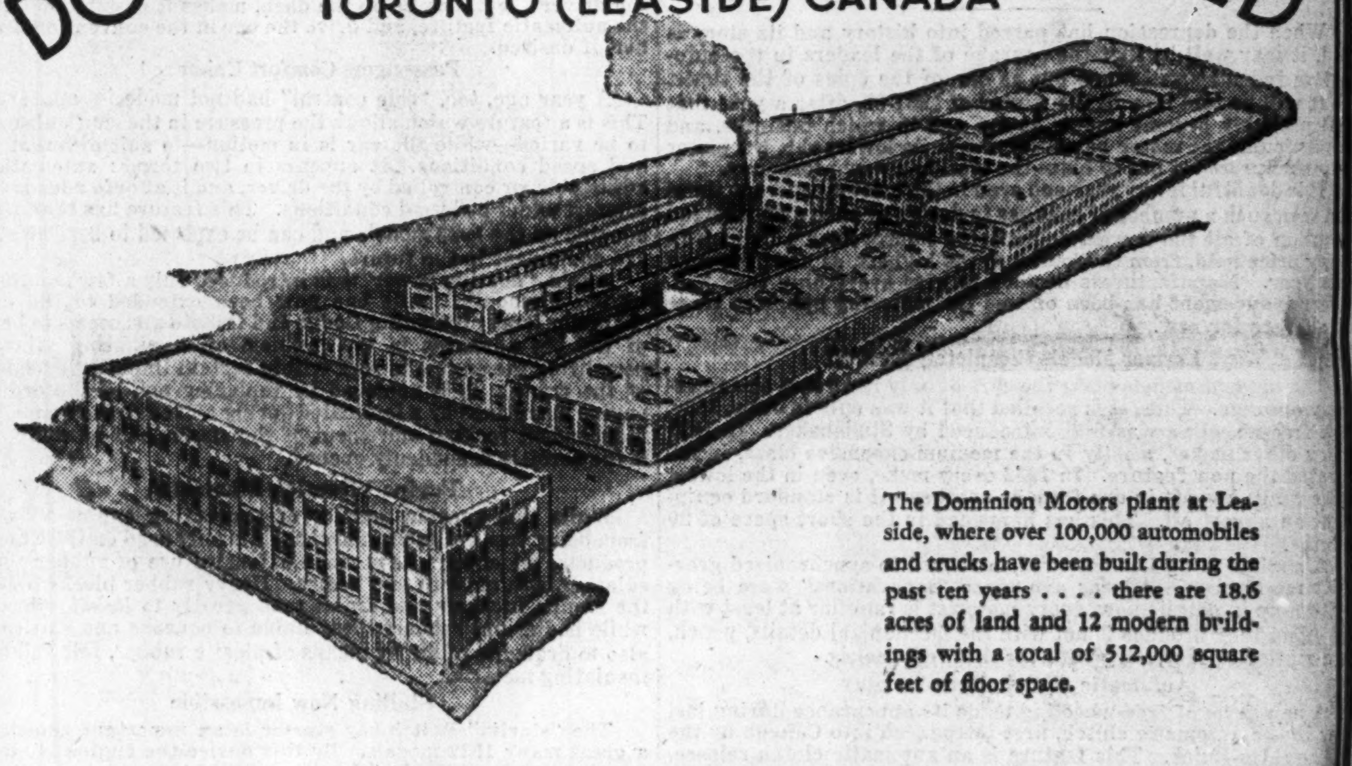
All prices f. o. b. factory, Windsor, Ontario, including standard factory equipment (freight and taxes extra).

CHRYSLER CORPORATION OF CANADA, LIMITED
WINDSOR, ONTARIO

PRODUCTS OF

DOMINION MOTORS LIMITED

TORONTO (LEASIDE) CANADA



The Dominion Motors plant at Leaside, where over 100,000 automobiles and trucks have been built during the past ten years . . . . there are 18.6 acres of land and 12 modern buildings with a total of 512,000 square feet of floor space.

FRONTENAC
DURANT
REO
MOTOR CARS

REO SPEED WAGONS
RUGBY TRUCKS

DOMINION MOTORS LIMITED proudly displays at the National Motor Show, the most complete range of passenger cars and commercial vehicles in its history.

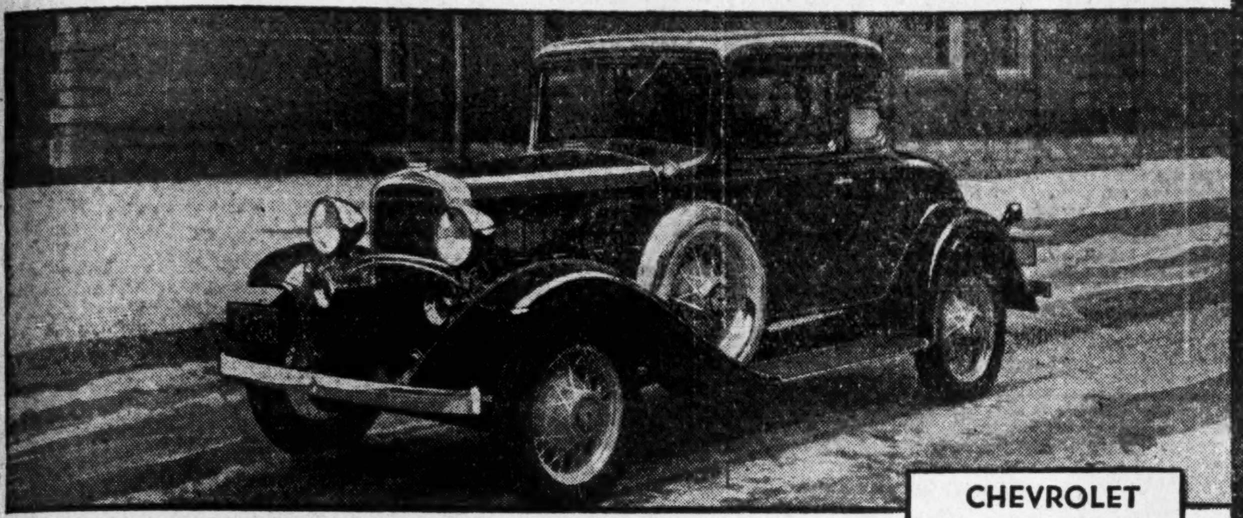
This showing, including the Reo, Frontenac and Durant automobiles, and the Reo and Rugby trucks, fittingly marks the growth of this Canadian Company and is a tribute to its progress in the first decade of its existence.

Canadians will view these exhibits with the pride that comes through the knowledge of successful Canadian achievement.

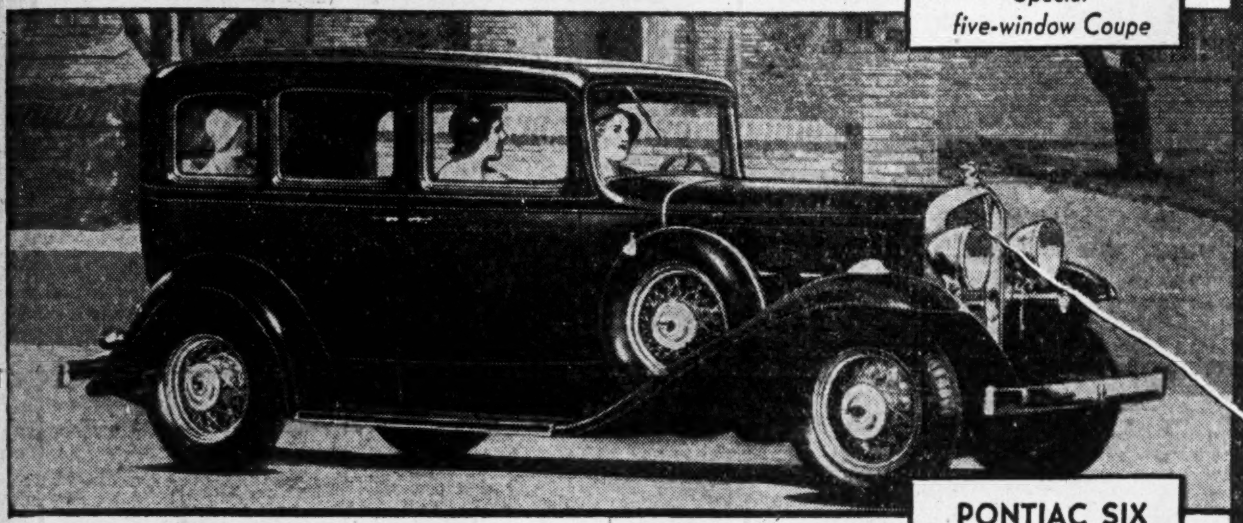
DOMINION MOTORS LIMITED

TORONTO (LEASIDE) CANADA

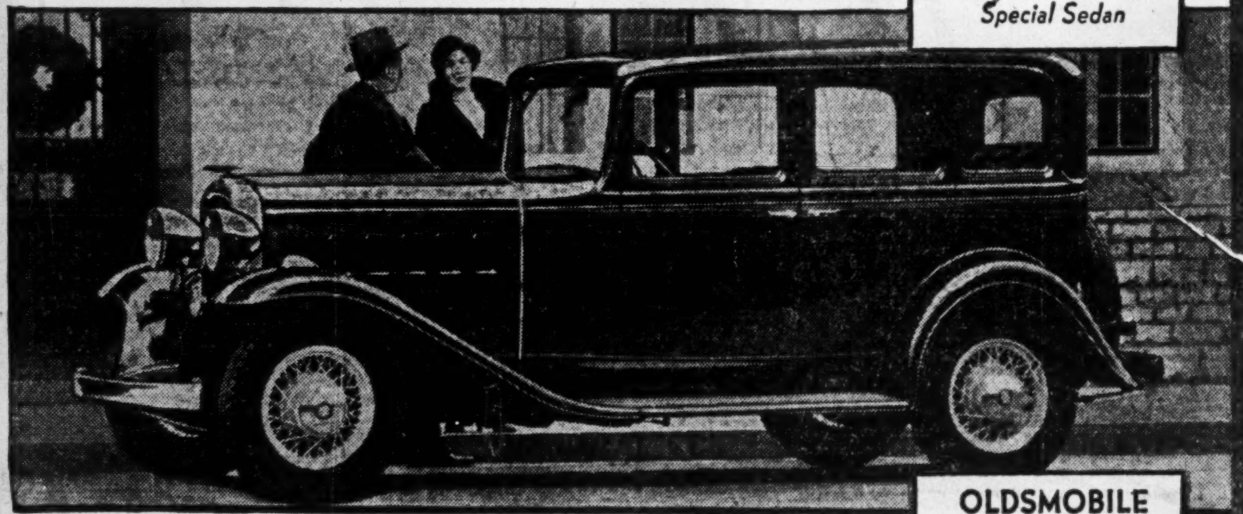
HERE'S WHY 1932 MOTORING *is* DIFFERENT



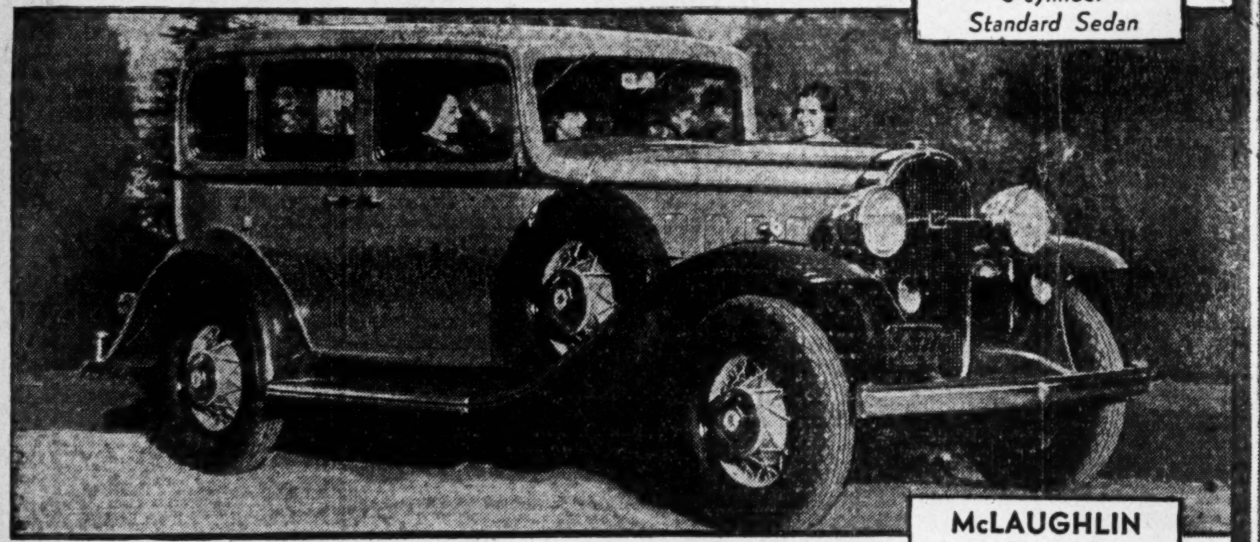
CHEVROLET
Special five-window Coupe



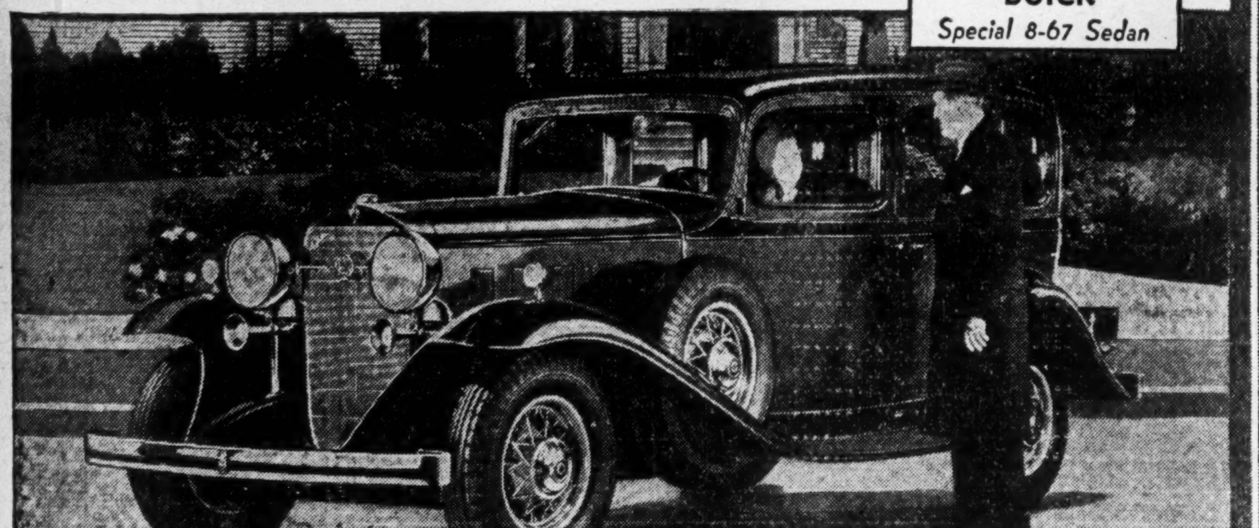
PONTIAC SIX
Special Sedan



OLDSMOBILE
8-cylinder Standard Sedan



McLAUGHLIN BUICK
Special 8-67 Sedan



LASALLE
V-8 5-Passenger Sedan

CADILLAC
V-16 Sedan

You may expect a new thrill in driving or riding in one of these six fine 1932 General Motors cars. So many entirely new features have been added that 1932 motoring is definitely different.

Just for instance, on *all* these cars—even the low-priced Chevrolet—Syncro-Mesh enables you to shift gears with a feather touch, and for that matter with as little noise as a falling feather. Indeed, for second and third you need not even use the clutch, since you can avail yourself of Free Wheeling at will.

Then you'll find improved brakes, steering gears, as well as such aids to comfort as finger-tip adjustability of the driver's seat and inside adjustable visors to deflect the sun's glare either from front or side

And don't let us forget to mention the beauty and style of the Fisher Bodies! Here are cars of which millionaires can be proud, yet which are priced to fit every purse.

Quite naturally, in the higher price brackets, you'll find even other improvements—such extraordinary provision for your comfort as Ride Regulator and Wizard Control.

Among these many models you'll find the car to suit your needs and circumstances. As General Motors' combined production has made possible these very low prices, so also have the resources and facilities of this great Canadian organization added the convenience of GMAC low rate time payments.

We can't tell you everything about these cars here, and we can't describe all the pleasure you'll get from driving them. But there is a dealer near you—one of the thousands all over Canada—who'll be glad to bring a car to your home for you to try. Look in the classified section of your telephone book under "General Motors Cars" and give him a call today.

CHEVROLET SIX

The world's largest-selling automobile, with new ultra-modern bodies by Fisher—Silent Syncro-Mesh gear-shifting—Simplified free wheeling—20% more powerful six-cylinder motor—Down-draft carburetor—*And minimum operating cost.*

PONTIAC SIX

High compression motor gives more power with ordinary gasolines. Syncro-Mesh transmission with silent second and free wheeling. Ride Control to adjust shock absorbers from the dash. Larger Fisher Bodies. 47 points of rubber cushioning in the chassis.

OLDSMOBILE

A finer, faster 74-horsepower Six and a brand new 87-horsepower Straight Eight—Silent Second Gear—Syncro-Mesh transmission with free wheeling—Roomier, sound-proofed Bodies by Fisher—Engine decarbonizer—Ride Regulator with Double Action hydraulic shock absorbers—Full Automatic choke—and oil temperature regulator.

McLAUGHLIN-BUICK EIGHT

The greatest McLaughlin-Buick ever produced—introducing Wizard Control and Ride Regulator. 100 other improvements. For over 24 years Canada's standard car, McLaughlin-Buick sells three times as many Eights as the next car in its price class.

LA SALLE EIGHT

The LaSalle, companion car to Cadillac, is made with the same high regard for excellence in every detail. It has the triple silent syncro-mesh transmission, Ride Regulator, Controlled free wheeling and the exclusive non-flex frame, and increased power.

CADILLAC

For 1932, Cadillac, Standard of the World, presents three completely new lines of distinguished motor cars. The Cadillac V-8, Cadillac V-12 and Cadillac V-16, all with—Triple silent syncro-mesh transmission; Full range ride regulator; exclusive Cadillac non-flex frames; increased power and increased gasoline economy.

GM GENERAL MOTORS PRODUCTS

GENERAL MOTORS CARS HAVE OUTSTANDING VALUE

All Prices F.O.B. at Factory, Oshawa—Taxes Extra.

CHEVROLET

CHEVROLET

Standard Roadster $655
Standard 3-window Coupe . . . 745
Spec. Conv. Coupe 870
Standard Coach . . 740
Standard Sedan . . 865
Special Sedan . . . 890
(and seven other models)

PONTIAC

Standard Coach . $960
Special Coach . . 1020
Standard Coupe . 950
Special Coupe . . 1070
Spec. Conv. Coupe 1115
Standard Sedan . 1060
Special Sedan . . 1160

OLDSMOBILE

SIX
Six body styles ranging from $1210 to $1390

EIGHT
Six body styles ranging from $1350 to $1530

McLAUGHLIN-BUICK

McLAUGHLIN Buick CANADA

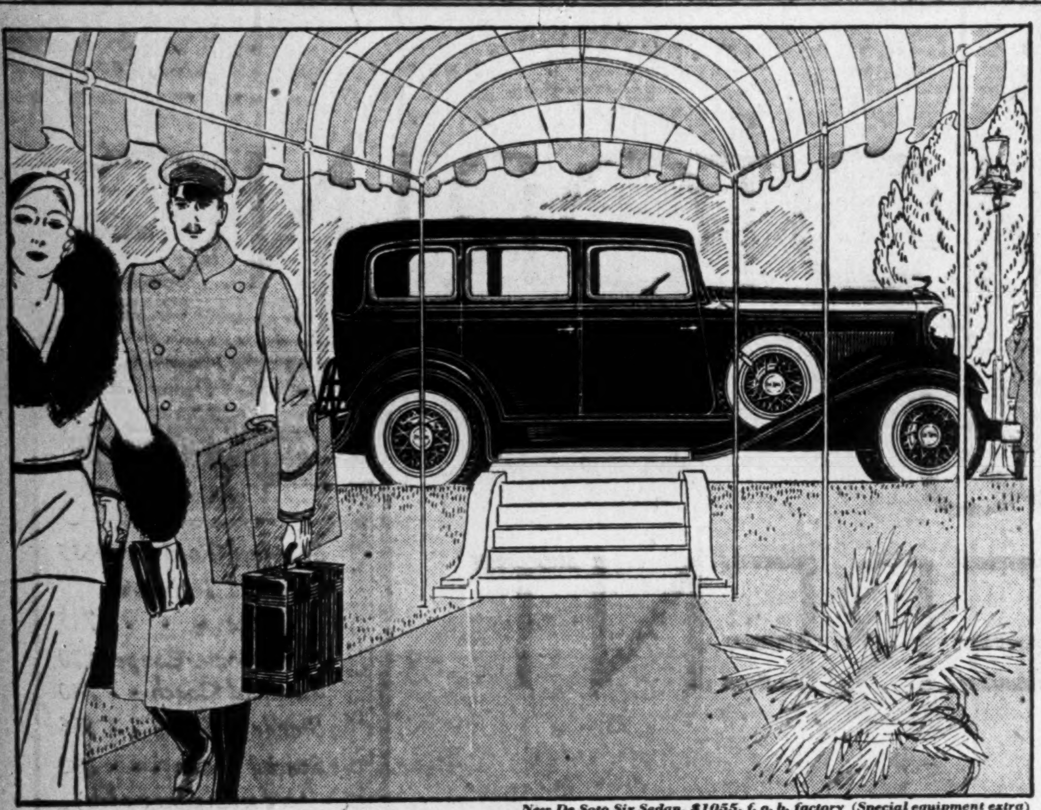
Series 50—114¾" wheelbase
8 models from $1325
Series 60—118" wheelbase
8 models from $1725
Series 80—126" wheelbase
4 models from $2085
Series 90—134" wheelbase
11 models from $2625

LA SALLE

130-inch WHEELBASE
2 pass. Coupe
5 pass. Sedan
5 pass. Town Coupe
2 pass. Convt. Coupe
136-inch WHEELBASE
5 pass. Town Sedan
7 pass. Imperial Sedan
7 pass. Imperial
ranging in price from $3700 to $4200

CADILLAC

V-8
Twelve 8-cylinder models from $4300 to $4900
V-12
Eleven 12-cylinder models from $5500 to $7700
V-16
Unlimited choice of body styles in 16-cylinder models $9000 and upwards



New De Soto Six Sedan, $1055, f. o. b. factory (Special equipment extra)

SMARTER IN APPEARANCE—MORE BRILLIANT IN PERFORMANCE

YOUR ADMIRATION for the new De Soto will be immediate and without reserve—when you view the altogether different lines of its design, its escape into a new and startling conception of motor car beauty.

You will feel a new delight in driving—a sense of unusual relief from fatigue. *Floating Power* keeps *all* motor vibration out of the body, away from the driver and passenger. The *Automatic Clutch* completely eliminates the use of the clutch.

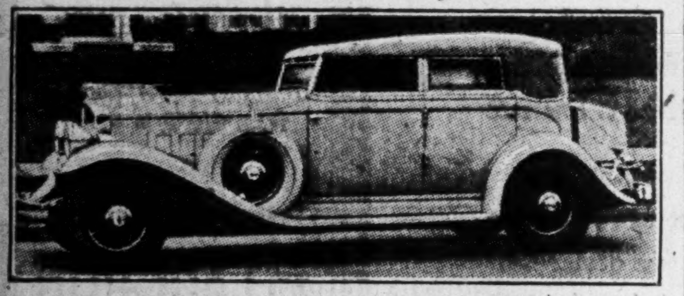
And then the 75-horsepower engine, the Easy-Shift Transmission, the Weatherproof Hydraulic Brakes, the Double-Drop X-type Girder-Truss Frame, the Silent Gear Selector and the All-Steel Body all help to make the new De Soto Six smarter in appearance—more brilliant in performance.

DE SOTO SIX

NEW PRICES. *Business Coupe . . . $975; Two-door Sedan . . . $975; Coupe (with rumble seat) . . . $1025; 4-door Sedan . . . $1055; Roadster (with rumble seat) . . . $1065; Custom 4-door Sedan . . . $1145. All prices f. o. b. factory, Windsor, Ontario, including five wire wheels and standard factory equipment (freight and taxes extra).*

DE SOTO MOTOR CORPORATION OF CANADA, LIMITED
Division of Chrysler Corporation of Canada, Limited, Windsor, Ontario

New Pierce-Arrow Product



Five-passenger convertible sedan on a new Pierce-Arrow model 53, which has a wheelbase of 137 inches. The 1932 Pierce-Arrow line is divided into three series, prices ranging from $3,585 up to $6,425, f. o. b. Walkerville factory. All models are equipped with freewheeling, synchro-mesh transmission, Startix ignition and adjustable shock absorbers. Note the new V-section radiator and low design.

LA SALLE V-EIGHT HAS 7 BODY TYPES

The La Salle V-Eight is offered this year in a choice of seven Fisher bodies and two wheelbases, namely 130-in. and 136-in. Prices range from $3,700 up to $4,200, f.o.b. Oshawa, taxes extra.

Chief engineering features of the 1932 models are freewheeling and vacuum clutch, synchro-mesh transmission, ride regulation and air-cooled fuel lines. La Salle freewheeling differs from the conventional design principally in the manner in which it controls the rate of engagement of the clutch. This is effected through a valve, controlled by the accelerator, which permits compressed air to escape gradually from the vacuum cylinder. Ride regulation is obtained by shock absorbers adjustable by a small level located at the left of the steering column. A wide range of adjustment is possible.

DODGE

Floating Power

Automatic Clutch—*Free Wheeling*
Modern Beauty

FLOATING POWER gives the beautiful New Dodge Six and Eight an instant flood of surging power to master the steepest grade or the most difficult road and just as easily contributes silent, breathtaking acceleration for the open road or flash of speed—and all without the slightest vibration.

The Automatic Clutch, co-ordinated with an entirely separate Free-Wheeling unit, gives *double* Free Wheeling . . . which means that you can forget the clutch pedal forever. You don't even need it to reverse.

The Silent Gear Selector—which moves so easily; the Weatherproof Hydraulic Brakes of increased size and new cast drums; Mono-Piece Steel Bodies; Bridge-Type Double-Drop Frames; the Silent Second Gear allowing speeds up to 50 miles an hour—these features and many more make the attractive New Dodge Six and Eight achievements in silent, effortless motion and easy, positive control.

"CANADIAN-BUILT FOR CANADIANS"

New Dodge Six, $1095 to $1260. New Dodge Eight, $1545 to $1640. All prices f. o. b. factory, Windsor, Ontario, including five wire wheels and standard factory equipment (freight and taxes extra). Six demountable wire wheels at slight additional cost. Low delivered prices. Convenient terms.

DODGE DEPENDABILITY

The New Dodge Six Sedan, $1170, f. o. b. factory

DODGE BROTHERS (CANADA) LIMITED, WINDSOR, ONTARIO

AUBURN OFFERS 12-CYLINDER CAR AND 'DUAL RATIO'

In Addition to a Line of Improved Eights

Probably the most important departure introduced this year by the Auburn Company, is the dual-ratio axle. "Axle ratio" means the relation of engine revolutions to those of the road wheels, as quite apart from the function of the transmission gear box. In effect, "dual ratio" affords the driver the choice of an extra gear, allowing the higher touring speeds to be maintained without immoderate racing of the engine and at the same time permitting flexibility in town driving.

The new Auburn line comprises a new series of improved straight-eights, and a new twelve. The features of the new models are driver controlled shock absorbers, free-wheeling, silent and constant-mesh transmission, Startix ignition, automatic chassis lubrication, and an X-type frame bracing.

In outward appearance, the "8-100" series follows closely the "8-98" series of last year. These models are mounted on a 127-inch wheelbase, excepting the seven passenger cars for which a 136-inch wheel base is utilized.

The New Twelve

The new 160 h.p. twelve-cylinder cars, which are on a 133-inch wheelbase, are equipped with free-wheeling, silent and constant-mesh wear, selective control shock absorbers, and Startix ignition. The Lycoming engine is of the V-type, with the two cylinder banks cast en bloc. This, it is claimed, gives greater rigidity and ensures increased accuracy of alignment in machining.

Bodies of the 12-160 range are unusually low, this having been achieved largely by the use of 17-inch wheels, underslung front springs, and by lowering the rear seat into the chassis. Special attention has been paid to the elimination of body rattle by means of rubber and other insulation.

Both Auburn lines are offered in two series, Standard and Custom. Standard models include free-wheeling, and silent transmission, while the Custom models include also dual ratio. Both lines are obtainable in the following body types; 5-passenger sedan, 5-passenger convertible sedan; 5-passenger Brougham; 2-passenger cabriolet, with rumble seat; 2-passenger business coupe, and 2-passenger roadster.

PLYMOUTH RETAINS FLOATING POWER AND 4-CYL. ENGINE

Prices Also Remain in Lowest Field, Starting at $655

While "floating power" alone has served to bring the Plymouth into prominence since the introduction of this new feature last July, this make was also the first to bring free-wheeling and silent second speed, double-drop frame and self-equalizing hydraulic brakes to the small car field. The four-cylinder engine is retained.

Eight body styles are offered, all having wire wheels as standard, prices ranging from $655 to $845 f.o.b. Windsor, taxes extra. These include a roadster, coupé, sport roadster, sport phaeton, coupé with rumble seat, convertible coupé, and two-door and four-door sedans. All bodies are of the one-piece type, electrically welded, improved insulation being utilized in attaching them to the frames to deaden road vibrations.

All engine vibration is eliminated by the floating power feature, the rear end of the engine being supported on a laminated spring, the other end of which is attached to the chassis frame. Thus the entire power plant is free to rock on its natural axis.

Plymouth continues as the only car in the lowest price field with self-equalizing hydraulic brakes. An additional improvement is the steering shock eliminator. While riding comfort is enhanced by the use of long, semi-elliptic springs and hydraulic shock absorbers.

Free-wheeling is controlled by a button on the dash, the feature being "locked out" by pulling the control out, drive then being in the conventional manner. The silent shift is of the constant-mesh type and permits easy gear changing independent of the free-wheel feature.

NEW DODGE HAS FLOATING POWER SIXES AND EIGHTS

Outstanding mechanical features of the new Dodge cars are automatic clutch, floating power, free-wheeling, silent gear selector, double-drop bridge type frame, silent-second gear, and hydraulic four-wheel brakes.

The Dodge automatic clutch—which is standard on all eights—is vacuum operated through a control valve attached to the intake manifold and governed by the movement of the accelerator pedal

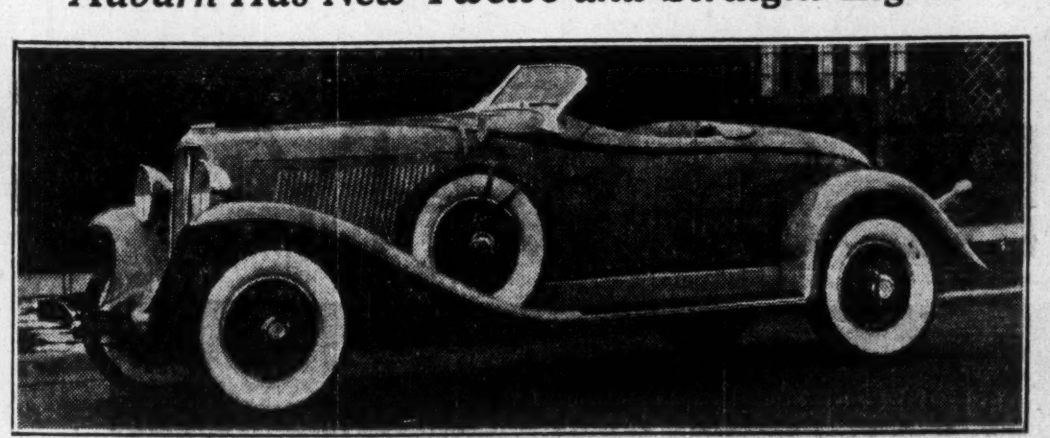
One of the most interesting developments in automotive engineering in recent years is floating power. This principle, which was applied for the first time to the Plymouth of last year, has now been applied to the Dodge line.

Steel Bodies

Steel body construction, which Dodge pioneered five years ago, is another important feature of the new sixes and eights.

Four body styles are announced for the new eight, the wheelbase of which is 122 inches, prices ranging from $1,545 up to $1,640, f.o.b. Windsor, including five wire wheels and standard factory equipment, taxes extra. These comprise a 5-passenger sedan, a 5-passenger coupé, a convertible coupé and a 2-passenger coupé with rumble seat. The six, with a wheelbase of 114¼ inches, is priced from $1,095 up to $1,260, the standard sedan selling for $1,170. Automatic clutch on this model is optional at an extra cost of $11.

Auburn Has New Twelve and Straight-Eights



Fleetness and grace are combined in the appearance of the Auburn 8-100 series Speedster announced for 1932. This car is built on a 127-inch wheelbase and is available in a variety of colors. The custom twelve models include the Auburn dual-ratio rear axle as well as free-wheeling, silent-mesh transmission, Startix ignition and selective ride control. Dual ratio gives an additional range of gears for high-speed cruising.

NEW HUPMOBILES DISCLOSE MANY CHASSIS CHANGES

Free-Wheel, Silent Gear-Shift and Ride Control Are Standard

Several important changes in design are seen in the 1932 Hupmobile series which comprise two six-cylinder cars and five "eights." Many of these are directed toward the reduction of vibration and increased chassis stability, effected by the introduction of an X-braced frame, seven-point rubber engine mountings, rubber mounted transmission, longer wheel- bases and steel running boards.

Another notable innovation is a patented device known as a "torsional stabilizer." This is a triangular brace arrangement over the engine, and the effect is to tie the body more firmly to the frame, preventing weaving. Noise and vibration reduction have received further attention in the new models by the separation of vibration points in the body and chassis and the reduction of unsprung weight. Smaller and lighter wheels contribute to achieve this.

Free-Wheeling Standard

Free-wheeling, synchro-silent gears and automatically regulated shock absorbers are standard equipment on all models. Free-wheeling is operative in all forward speeds, and it has been developed to include an automatic cut-out when reversing the car. Thus the action of shifting the gear lever into reverse automatically throws the free-wheeling feature out of operation, it being automatically re-engaged when starting forward.

New Sports Model

In the new eight-cylinder series numbers "222" and "226," Hupmobile introduces a new sports body model—the cabriolet roadster. In this model the top collapses to disappear within a specially constructed compartment at the back of the seat. Windows may be raised regardless of the position of the top, while the windshield folds flat to the hood. A rumble seat is provided in this model.

All eight-cylinder engines have oil-temperature regulator and special filter. All models utilize carbureter silencers and an oil pump which provides oil under pressure to all main and connecting rod bearings, valve assemblies and other bearing surfaces.

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NATIONAL MOTOR SHOW
March 5-12
AUTOMOTIVE BUILDING
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TORONTO

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ALL NEW MODELS
THE "TEAR-DROP" CAR

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AND A FAMOUS HEADLINE ATTRACTION

Sponsored by Canadian Automobile Chamber of Commerce

PIERCE-ARROW OFFERS AN EIGHT AND 2 TWELVES

1932 Models All Embody Latest Engineering Improvements

The feature of the Pierce-Arrow exhibit at the Toronto show is the new range of twelves. These are supplemented by the new eights, all models being equipped with free-wheeling, synchro-mesh gear shift, adjustable shock absorbers, controlled from the dash, and Startix automatic switch key starter.

The new twelves are in two group; model 52, which has wheel bases of 142 inches and 147 inches and model 53, with wheelbases of 137 inches and 142 inches. The eights comprise model 54, on the same wheelbases as the 53.

Mechanism all through is designed to provide quieter running and greater freedom from vibration. Engines are mounted on cushions of live rubber; spring shackels are ball bearing, and there is a double muffler system to stifle the sound of the exhaust.

New Box-girder Frame

A new engineering departure is the box-girder chassis frame which prevents weaving and twisting. Brake drums of a newly developed alloy steel are larger and more powerful and proof against both scoring and warping.

The low appearance of the new cars has been achieved by the new method of mounting the body without decreasing headroom. The box-girder frame is fitted with outriggers for body mounting. Thus the body is actually wider than the frame and its sills rest on the outriggers beside the frame members.

In the new bodies, the advantage of this manufacturing policy is manifested in the insulation of the dash, floor and sides of the bodies which keeps out the heat of engine operation and the atmosphere. The door and body panels are felt lined and the body itself is insulated from the frame by cork covered mountings. The double metal dash is filled with extra thick felt and composition and the floors are felt lined and insulated.

Pierce-Arrow Co. of Canada is one of the latest additions to Canada's automotive industry, the company having been formed in December last. The plant is at Walkerville, Ont.

1932 Chevrolet Has Free-Wheeling

The 1932 Chevrolet, known as the "Confederation" model, is claimed to have 20 per cent more power than last year's models, although the engine dimensions are the same. Freewheeling and silent-mesh transmission is standard on all this year's models. Prices range from $655 to $915 f. o .b. Oshawa.

The Finest Eight ever built by PIERCE-ARROW

priced as low as $3585 *at the factory*

TAKING complete advantage of today's measurably lowered commodity and manufacturing costs, Pierce-Arrow has produced a new line of Eights that out-perform any previous car of this type.

Modishly beautiful, exquisitely appointed . . . longer, lower, larger, more luxurious . . . these new Pierce-Arrows have definitely established *new fine car values.*

The famed Pierce-Arrow hand-craftsmanship—many times finer, more costly, more time-consuming than ordinary processes—is unmistakably evidenced throughout the entire line.

There is, in fact, no other fine-car offering which so clearly evidences the greater purchasing power of today's dollar.

Where hand-craftsmanship still endures

Pierce-Arrow cars are constructed in their entirety, with rare skill and time and care, in the great Pierce-Arrow plants. The illustration shows a veteran craftsman wielding a diamond-pointed cutter, in one of the many scores of precision operations which make for Pierce-Arrow fineness.

NEW PIERCE-ARROW EIGHT
137" to 142" wheelbase . . . 125 horsepower

Club Brougham, 5-passenger	$3585
Sedan, 5-passenger	3845
Club Sedan, 5-passenger	4075
Club Berline, 5-passenger	4370
Convertible Sedan, 5-passenger	4520
Coupe, 4-passenger	3930
Convertible Coupe Roadster, 4-passenger	4165
Sport Phaeton, 5-passenger	4715

Prices f. o. b. factory, Walkerville, Ont. Spare tires and gov't taxes extra

TWO BRILLIANT TWELVES . . . from $4575
137" to 147" Wheelbase . . . 140 and 150 Horsepower

In the purchase of a car from income, the average allowance on a good used car usually more than covers the initial Pierce-Arrow payment.

The Pierce-Arrow Company *of* Canada, Limited
WALKERVILLE, ONTARIO

McLAUGHLIN-BUICK OFFERS 26 MODELS IN FOUR SERIES

Prices Range From $1325 for Six; Eights From $1725

The range of models offered by McLaughlin-Buick for 1932 offers the same wide variety as in former years, being grouped in four series comprising 26 models in all.

All models have the new "wizard control" which is the name adopted for the automatic clutch, free-wheeling and synchro-mesh transmission combination. The automatic clutch feature relieves the driver of the necessity of using the clutch pedal when changing speed, this being effected automatically by vacuum control when the accelerator is released. The mechanism is operative at the driver's choice through the medium of a floor button beside the clutch pedal. The device affords a free-wheeling feature in that, when the accelerator pedal is released the clutch is automatically thrown out.

The synchro-mesh transmission has a new helical type second gear which gives quiet operation while also eliminating gear clashing.

The small cars of the McLaughlin line are the "850" series, built on a 115-inch wheelbase and powered with six cylinder engines. The eight models in this series range from $1,325 to $1,625, f.o.b. Oshawa, taxes extra. There are seven models in the "860" series which is built on a 118-inch wheelbase. Prices in this series are from $1,725 to $2,030. The power unit in this series delivers 90 h.p. The next two series, the "880" and "890," differ only in wheelbase length, this being 126 inches and 134 inches respectively. The big eight-cylinder engine in this series develops 104 h.p.

In the "880" series two body styles are offered, a 5-passenger sedan selling at $2,085 and a 5-passenger coupé, with built-in trunk, the price of which is $2,280. Nine body models are offered on the "890" series, these ranging from $2,410 to $2,915.

In addition to free-wheeling, synchro-mesh, and automatic clutch, all models are fitted with adjustable shock absorbers, and oil temperature regulator, and a road-shock eliminator is standard on all models except the "850" series.

Head Canadian Automobile Chamber of Commerce

D. R. GROSSMAN

J. L. STEWART

T. A. RUSSELL

Above are the officers of The Canadian Automobile Chamber of Commerce, the automobile manufacturers' association of the Dominion, which is sponsoring the National Motor Show of Canada. D. R. Grossman, president, is vice-president and general manager, Studebaker Corp. of Canada; T. A. Russell, vice-president, is president and general manager of Willys-Overland, Ltd.; J. L. Stewart is general manager of the association. Directors are H. A. Brown, vice-president and general manager, General Motors, Ltd.; John D. Mansfield, president and general manager, Chrysler Corporation of Canada, and Roy D. Kerby, president, Dominion Motors, Ltd.

1932 DESOTO SIX HAS NEW FEATURES AT MODEST PRICE

Floating Power, Free-Wheeling, Silent Gears; From $975 Up

The DeSoto offering for 1932 comprises a new string of six-cylinder cars the main features of which include an adaptation of the "floating power" principle, free-wheeling and silent gear selection, constant mesh transmission, double-drop X-girder frame, and weather-proof hydraulic brakes. Another important feature available on this make is the automatic clutch, which may be had at the extra cost of $11.

Nine body models, five standard and four custom types, constitute the new line, and Canadian prices range from $975 to $1,175, f.o.b. Windsor, taxes extra. The standard models are the two-door sedan, four-door sedan, roadster, coupé, and coupé with rumble seat. The custom line includes a 5-passenger sedan, a roadster, convertible sedan and a convertible coupé.

Up-to-date Features

The floating-power feature practically eliminates vibration and the evils resulting therefrom by the assembling the various parts of the engine into a self-contained, balanced unit. Free-wheeling is of the cam and roller type which disengages the transmission at the rear, while the automatic clutch disconnects the transmission at the front end. The constant-mesh gears enable a quiet shift from high to second to be made without grating.

The double-drop frame reduces the overall height of the bodies without reduction of head room, and gives a low centre of gravity and better "roadability." The all-steel welded bodies, obviating the use of screws, nails or rivets, are claimed to be less subject to rattle or squeak. Slanting windshields and inside sun visors add to the streamline appearance.

The new radiator is of distinctive design, being rounded and domed instead of the more usual V-section, the core being protected by a substantial horizontal grille.

All models have five wire wheels as standard equipment, tires being 18 x 5.25. Customs de luxe models have special equipment such as dual horns, vanity case, silk curtains at rear and rear-quarter windows, and double windshield wipers.

PONTIAC OFFERS MUCH REFINED LINE OF SIXES

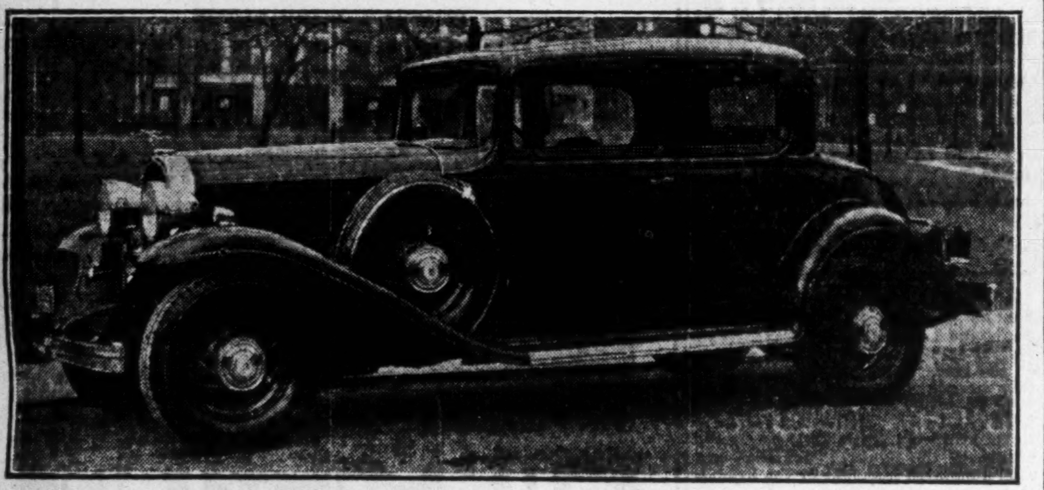
Foremost among the new mechanical developments incorporated in the new range of Pontiac sixes is the synchro-mesh transmission with quiet second gear, and automatic clutch free-wheeling. These features together with "ride control" and added power are standard on all 1932 models. Pontiac is also sponsoring a V-eight in the United States but this has not as yet been offered to Canadian buyers.

Bodies offered on the number "402" chassis on which the wheelbase has been increased to 114 inches, are: 2-door and 4-door sedans, customs sedan, coupé, sports coupé, and convertible coupé. Prices range from $950 up to $1,160 f.o.b. Oshawa, taxes extra. Changes which are most noticeable to the eye in the 1932 models are the inclined windshield, which rises at a 10-degree angle to meet the roof, and the sharply V-shaped radiator, protected and concealed by a new built-in grille with chrome-plated vertical bars. De luxe and sports models further carry twin outside horns, finished in chromium plate. The external sun visor is replaced by an internal one, which is adjustable from the driver's seat.

New Cylinder Head

Added power has been given to the new Pontiac line by the redesigning of the cylinder head by which the compression has been raised. Motor heat is now controlled by an automatic thermostat in the crossflow cooling system, which blocks circulation until the motor has attained its most efficient and most economical operating temperature. Full pressure lubrication forces oil through all moving parts.

McLaughlin-Buick Wizard Control



Above is shown the new 8-cylinder McLaughlin-Buick, Series 90, fitted with 5-passenger coupé body. This model, priced at $2,410 f. o. b. Oshawa, features the recently adopted "Wizard Control," namely, automatic clutch freewheeling and synchro-mesh transmission, also adjustable shock absorbers and road-shock eliminator. Wheelbase of this model is 134 inches. Three other series are offered comprising thirty body styles. Prices range from $1,325 to $2,760 at factory.

PACKARD OFFERS NEW LIGHT EIGHT; REVIVES TWIN-6

All Models Have Silent-mesh Transmission and Ride Control

The Packard Motor Co.'s programme for 1932 is featured by the introduction of an entirely new model, the Packard Light-8, and by the re-establishment of the Packard Twin-6. In addition the standard and de luxe 8 lines are being continued. The new models now give Packard four complete lines on seven wheelbase lengths. All are equipped throughout with shatter-proof glass.

The motor in the new Light-Eight is of the straight eight type, while this model, which is mounted on a 128-inch wheelbase also has silent synchro-mesh transmission and many of the improvements which are incorporated in the standard-8 and the Packard-8 de luxe. The frame is of entirely new design, having a double drop with 8-inch side rails and a big box-girder X-member in the centre. The engine is suspended at 4 points in rubber mountings.

New Radiator Design

The radiator, while retaining the Packard characteristics, narrows down and curves forward at the bottom to merge into the front renders. The fenders are made in one piece with the front dust-pan thereby contributing to the low streamline appearance.

All 1932 Packard models are equipped with "ride control." By means of this device shock absorbers can be instantly adjusted to meet all driving, riding and weather conditions. It is operated by a push-pull knob, located near the steering column.

On the new Twin-6, all accessories have been removed from the sides of the engine and grouped at the front end to give maximum accessibility. Among new features of design are a plunger-pump type of oil pressure control valve and large pipe lines. A duplex down-draught carburetor is used, equipped with air-intake silencer and filter. An important safety feature, which is also found on all other Packard models, is provision for the leading away from the engine compartment of any gasoline that may collect from flooding of the carburetor, this being drained off to the ground. Springs are covered with a flexible metal covering which contains lubricant.

In appearance the Twin-6 is much the same as the De-Luxe-Eight. The radiator is somewhat different, with a more pronounced V, vertical sides, and a narrow strip of the radiator shell extending down the apex of the V. Chromium plated automatic shutters are fitted.

NEW ROCKNE SIX GETS ATTENTION IN SHOW DEBUT

Newcomer to Low-priced Field Has Many of the Latest Gadgets

Rockne six which is the latest product of the Studebakgr engineers, makes its first formal public appearance at the National Motor Show, Toronto. Offered in two lines, the "65" and the "75," all models are equipped with improved free-wheeling, synchronized gear-shift, automatic switch key starting, and hydraulic shock absorbers.

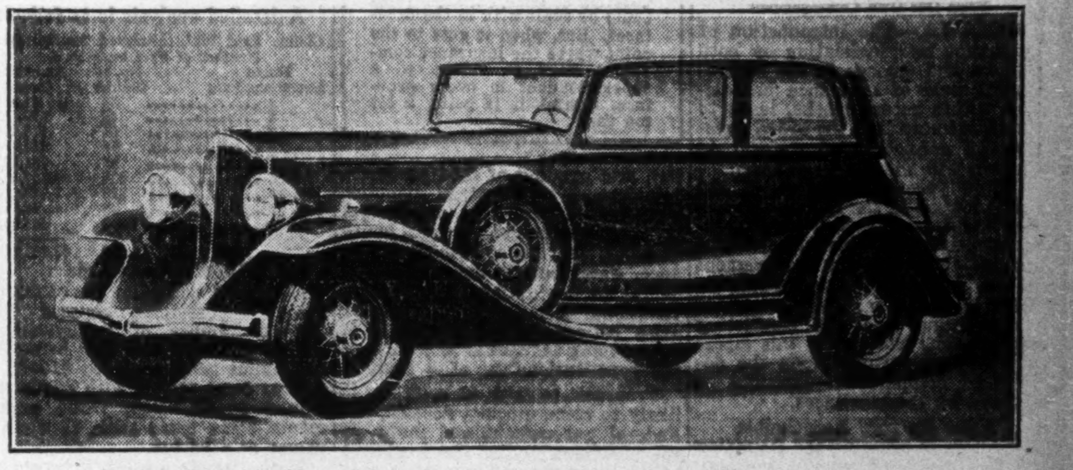
The Rockne Six "65" has a 110-inch wheel base, and a 66 h.p. six-cylinder motor, while the "75" line is mounted on a 114-inch wheelbase, and has a 72 h.p. motor.

All standard models have five wire wheels. De luxe models carry six wire wheels, the two spares being mounted in fender wells. Both lines may be had in 5-passenger sedan; 5-passenger 2-door convertible sedans; 2-passenger coupé, and coupé with rumble seat; and convertible roadster. Adjustable front seats, with a travel of four inches, are standard equipment on all closed models. Standard interior equipment on both lines includes wind-shield cleaner, rear vision mirror, cowl pockets, and arm rests.

Prices range from $795 up to $950 f.o.b. Walkerville factory, these being the prices of the 2-passenger coupé and the 5-passenger convertible sedan respectively.

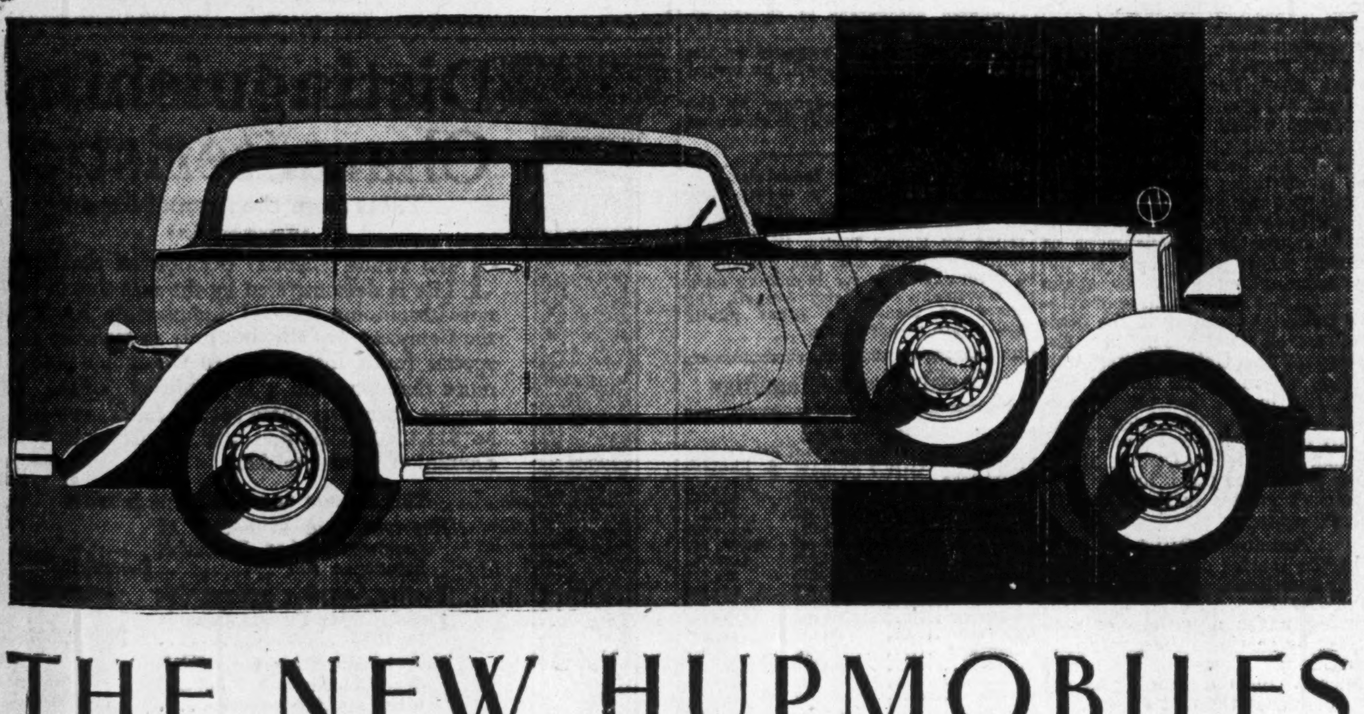
Bumpers, spare tires, and government taxes are extra. The 75 model ranges from $975 to $1,130.

Packard Introduces New Light-Eight For 1932



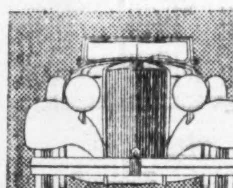
The new light-eight Packard which makes its appearance this year is built on a 127¾-inch wheelbase and has synchro-mesh transmission, clutch control, and adjustable shock absorbers incorporated as standard. Above is a photograph of the light-eight 5-passenger coupé-sedan, showing the new V-fronted radiator, angled wind-shield and outward-sloping rear-end. Packard also this year revives the big twin-six model and offers in addition standard and de luxe eights.

A NEW CAR FOR A NEW AGE



THE NEW HUPMOBILES

1932 speaking! Shrewd, critical, money-wise 1932 is voicing its demands. Stating the motor car requirements of this new value-seeking age: "Smash the old barriers between the modest purse and the beauty and behavior of the finest custom cars! We want more power, more speed, more comfort, luxury, and safety! We want the kind of medium-priced car we have never seen before!" Hupmobile answers . . . with a New Car for a New Age.



Extreme lowness. Streamlined running boards. Snug fenders. V-type radiator. Longer wheelbase. Extra-wide doors. Wide, comfortable seats. Automatically controlled shock-absorbers. Fully-insulated bodies. Airplane type instruments. Increased power and speed. *Genuine* Free-Wheeling. Synchro-Silent transmission. Controlled oil temperature — the oil is cooled in summer and warmed in winter. And 85 more outstanding features in the new "Hundred Feature" Hupmobile.

HUPP MOTOR CAR CORP.
Windsor - Ontario

O'DONNELL-MACKIE LIMITED
577 YONGE ST. TORONTO

AUBURN
POWERED BY LYCOMING

Improved STRAIGHT EIGHT

$1570

Business Coupe. Canadian list price, freight to be added.

It was the Unequalled Value of Auburn's Eights that caused Auburn's sales to increase over 150% last year. In the new Improved Straight Eights Auburn carries Value to another new high level. We have sought for every possible way to still further improve these cars; we have simply poured Quality into them; strengthened — refined — and added many important comfort and performance features. Again Auburn Straight Eights offer The World's Greatest Motor Car Value; 100 Horse Power Lycoming Motor; 127-inch Wheelbase; L. G. S. Free Wheeling with Silent-Constant Mesh Transmission; Twist-proof X-type cross-member frame, originated by Auburn; Bijur Automatic Chassis Lubrication; Improved 4-Wheel Brakes; four 2-way hydraulic shock absorbers; larger, heavier, irreversible steering mechanism; kick-shackle in front spring, that minimizes road-shock; more enduring body construction; body fully insulated; new, more luxurious interiors. Seven Models of Straight Eights, that again set the pace for distinctive design, completeness of appointment and greatest per-dollar Value.

New 160 h.p. TWELVE

$2680

Business Coupe. Canadian list price, freight to be added.

Auburn announces a new Twelve with advantages obtainable in no other car in the world! We want you to verify for yourself, our claim that this new Auburn Twelve — Accelerates Faster — Runs Faster and Smoother — Climbs Hills Faster and Easier, than any other production car. Despite its size, power and speed, this Twelve is extraordinarily economical; will run more miles per gallon than many Sixes and Eights of far less Horse Power. The chassis is new from end to end, new Lycoming 12-cylinder motor; 392-inch piston displacement; 160 actual dynamometer Horse Power; horizontal zopposed valves; 133-inch Wheelbase; L. G. S. Free Wheeling with Silent-Constant Mesh Transmission; X-type cross-member frame; Bijur Automatic Chassis Lubrication; a completely new shock-proof steering mechanism; new type extra large and powerful hydraulic brakes, and six-ply tires, provide additional safety when driving this Twelve at its amazing high speeds; improved universal joints, which should require lubrication only once a year. Six Models, never approached in Value!

Straight "8" and "12" Custom Models Include:

Dual Ratio

Dual-Ratio enables Auburn cars to out-perform all other cars. It makes possible an economy of operation—a smoothness—and a totally new performance, both in kind and degree.

Standard Models 8-100: Business Coupe $1570; 5-passenger 2-door Brougham $1655; 4-door Full Sedan $1745; Convertible Cabriolet $1830; Convertible Phaeton Sedan $2010; Speedster $2010; 7-passenger Sedan $2105. Custom Models 8-100A: Business Coupe $1975; 5-passenger 2-door Brougham $2065; 4-door Full Sedan $2165; Convertible Cabriolet $2450; Convertible Phaeton Sedan $2650; Speedster $2650; 7-passenger Sedan $2770. Standard Models 12-100: Business Coupe $2680; 5-passenger 2-door Brougham $2780; 4-door Full Sedan $2880; Convertible Cabriolet $2975; Convertible Phaeton Sedan $3175; Speedster $3175. Custom Models 12-160A: Business Coupe $3175; 5-passenger 2-door Brougham $3275; 4-door Full Sedan $3375; Convertible Cabriolet. $3475; Convertible Phaeton Sedan $3825; Speedster $3825. Canadian List Prices. Freight to be added.

8 12

AUBURN AUTOMOBILE COMPANY, AUBURN, INDIANA
Division of Cord Corporation

Complete showing of Auburn Twelves and Straight Eights at National Motor Show, Toronto, March 5th to 12th

O'DONNELL-MACKIE LIMITED
577 YONGE ST. TORONTO

Ontario Distributors—Auburn, Cord and Duesenberg

Insurance for Buyer and Seller

CONSTITUTION GORDIAN KNOT MAY BE CUT

Insurance Situation May Bring to a Head Needed Reform

AFFECTS WIDE FIELD

Postponement May be Necessary Till After Imperial Conference Despite Urgency

From Our Own Correspondent

OTTAWA.—The introduction of important new legislation by both Ottawa and Quebec in the controversial field of insurance jurisdiction within recent weeks, leads to the belief here that the broad question of constitutional reform in Canada will shortly be attacked.

While recent decisions of the privy council in the radio and aviation cases have lessened the present and existing constitutional confusion—the Dominion government is considering seriously making an effort to cut through, at one stroke, the gordian knot of conflicting jurisdiction. Success in this effort will depend entirely upon the degree of co-operation extended to Ottawa by the provinces.

Many Factors Responsible

Factors in bringing the Dominion to this point of view have been many. The insurance tangle, the numerous recent law suits on such matters as radio, aviation, Frauds Prevention Acts, company law, etc., undoubtedly have influenced the government.

Take insurance. The constitution does not mention it but as early as 1868 Parliament asserted Federal jurisdiction and in 1875 a Federal insurance branch was established. The provinces asserted rights in 1876. The first law suit was in 1878, when an Ontario statute was assailed unsuccessfully. The Federal insurance act escaped major attack until 1916, when it was challenged by the provinces and reduced to ruins by the Privy Council.

Riddle Yet Unsolved

It is notable, however, that in this first decision of the Privy Council, the judges said, plainly, in their judgment, that a Federal insurance act could be written which would maintain jurisdiction over Federally incorporated companies. The late Justice Newcombe, then deputy minister of justice, wrote a new insurance act which survived until last October when the Privy Council threw it out—once more declaring, however, that a proper statute was possible. It remains to be seen if the new statute solves the riddle.

The Dominion does not seek to oust provinces from the insurance field, only desires to maintain jurisdiction over federally incorporated companies.

The insurance dispute, therefore, is an off-shoot of the wider controversy centring upon control of companies. Several Privy Council judgments have failed to clear up this field of constitutional law. The Dominion and the provinces have fought to a draw.

Other fields of disputed jurisdiction are: grading of food products, interference in industrial disputes, eight-hour day, all manner of social matters like pensions, wages, hours of labor, and unemployment insurance, water powers developed incidental to navigation works. Constitutional disputes do not always arise between governments, it is open to any individual to challenge the constitutionality of a statute.

Progress toward a solution is likely to come quickly, because the Federal government and many of the provinces realize the weakness of the present position, realize that it hampers business, delays reform.

Last year, speaking for the government, Hon. Hugh Guthrie, minister of justice, conceded the case for constitutional reform. The key to the situation, as all parties agree, is to find some manner by which the Canadian constitution can be amended from time to time. At the present time, amendments are made by the British Parliament on an address from the Canadian Parliament. No Canadian Parliament, however, would lightly disturb the existing balance of jurisdiction without the consent of the provinces. Mr. Guthrie believes that a Dominion-Provincial conference should be called to agree upon some system for obtaining general assent to amendments.

If such a system can be worked out, then the provinces and the Dominion can agree to a new division of powers, removing all causes of present disputes. There will have to be give and take. The Dominion might say: You give us exclusive control over insurance, and we will give you exclusive control of blue sky laws.

The impending Economic Conference may delay the summoning of this conference, which, otherwise, would have been held this summer, but action in the autumn is not an unlikely outcome.

Condemns Duplication Insurance Regulation

Strong condemnation of the duplication of insurance regulation in Canada was voiced last week by F. Erichsen-Brown, K.C., of Toronto, addressing members of the Insurance Institute of Toronto at their February meeting.

"I think it is utterly absurd," he said, "that we should be in the position that we have a superintendent of insurance and an insurance department in each of the provinces. There are many things that could be done from Ottawa. Licensing of agents and brokers could be done in the provinces. The question of statutory conditions could be dealt with in the provinces. But, when it gets to the point where the insurance companies have to report to a superintendent in every province, I think it is going a bit too far."

Would Bar Succession Duties as Ultra Vires Legislation

Action has been brought against the Alberta government to declare its succession duty act ultra vires in that it is not direct taxation.

Statement of claim against the provincial treasurer and the attorney-general of the province, has been filed to this effect by Mrs. Clara Kerr and William H. McLaws executors of the estate of the late I. K. Kerr of Calgary who died December 3, 1929. The plaintiffs seek a declaration that the executors are not required to pay the succession duty of $56,907 assessed by the provincial treasurer and demanded by the attorney-general on the grounds that such a tax is not a direct one and is therefore ultra vires.

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LEADING EXECUTIVES

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DEATH CLAIMS LEADING COMPANY ANALYZED FOR '31

Tuberculosis Leads Individual Causes of Death Cancer Second

Analysis of death claims during 1931 made by a leading Canadian insurance company reveals total claims during the year of 1,009 for an amount of $3,701,800. Of this total, the largest number of claims paid was to policyholders who had paid from 6 to 10 premiums, the company having paid 325 claims in this group amounting to $1,137,488. Policyholders who had paid 11 to 20 premiums reported claims to the number of 315 valued at $1,412,112.

A detailed analysis is as follows:

Claims Paid 1931, Analyzed According to Number of Premiums Paid

No. of Premiums Paid	No. of Claims	Amount of Claims
1	35	$ 93,460
2	46	190,617
3	61	178,764
4	70	228,321
5	65	182,151
6-10	325	1,137,488
11-20	313	1,142,112
Over 20	35	74,597
Paid-up	59	204,291
	1,009	$3,701,800

Tuberculosis Leads

Classified according to cause of death, tuberculosis claimed the largest number of policyholders during the year, the total being 88 for claims amounting to $194,231. Cancer came second with 85 claims valued at $318,265, while pneumonia came third with 71 claims valued at $196,808.

In the larger groups, diseases of the heart caused 297 claims representing 34 per cent of total claims paid, while diseases due to infection with parasitic microbes and including tuberculosis, pneumonia, appendicitis, typhoid fever, and so forth caused 255 claims to an amount of $710,000 or 19.8 per cent of the total.

Deaths due to violent and accidental causes numbered 164, amounting to $615,664 or 16.63 per cent of the grand total. The largest individual cause in this group was suicide which was responsible for 37 claims amounting to $149,000. Drowning and automobile accident each claimed 32, the former being for a total of $143,000 and the latter $113,700.

Nervous Diseases 4 Per Cent

Diseases of the nervous system, headed by meningitis, with 12 claims amounted to $156,698 or for a total of 48 claims and represented 4.23 per cent of all claims paid by the company. Diseases of the glandular system such as pernicious anemia, diabetes and so forth claimed 42 for an amount of $149,756, or 4.05 per cent of the total while diseases of the digestive system show a total of 39 for $138,520 or 3.74 per cent of the grand total.

The average amount of claims paid was $3,669.

Claims Paid Classified According to Cause of Death

Cause:	No.	Amount	Per cent
Parasitic microbe infection	255	$710,071	19.2
Cancer	85	318,265	8.6
Cardio-vascular diseases	297	1,259,449	34.
Nervous system	48	156,698	4.2
Digestive system	39	138,520	3.7
Glanular system	42	149,756	4.1
Unclassified	79	353,878	9.6
Violent & accidental	164	615,664	16.6
	1,009	$3,701,800	100.0%

Insurance Inklings

W. J. WHITING has been appointed assistant manager, casualty lines, of the Montreal branch of Travellers Insurance Co. E. E. Ehlers is manager of the Montreal office.

NEWFOUNDLAND AGENCIES, LTD. is a new insurance agency incorporation with office at St. Johns, which has been appointed the representative of Crown Life Insurance Co. in Newfoundland. The directors of the company appointed are: Hon. P. J. Cashin, Sir J. C. Crosbie and H. S. Knight of the law firm of Fox Knight and Phelan. The active manager will be Hon. P. J. Cashin, whose office will be in the Reid Building, Duckworth Street.

W. H. LISTER has been appointed district manager at London for the National Life Assurance Co. Mr. Lister will have headquarters at London and his territory will include Middlesex, Huron and Elgin counties.

HOME ASSURANCE CO. of Calgary will be able to write several new lines of insurance in Alberta if new proposed reinsurance treaties can be effected, according to F. A. Ogilvie, president and general manager of the company.

J. S. WILSON has been appointed resident inspector for Western Canada of the Phoenix Insurance Co. of Hartford. Mr. Wilson will have headquarters at Winnipeg, and his territory will include Albert, Manitoba, Saskatchewan and Western Ontario. He will succeed George F. Mitchell who is returning to the company's Canadian head office at Montreal.

ALMONTE OBJECTS TO ALL-DAY FIREMEN

C. F. U. A. Report Recommends Changes But Town Fathers Up in Arms

Controversy between town officials and the Canadian Fire Underwriters Association has developed at Almonte, Ont.

According to a report of inspectors important and drastic changes must be made to bring this town up to C. F. U. A. standards. Town officials are apparently much incensed at the report which suggests among other things that three permanent paid firemen be engaged to sit in the fire hall and do nothing else but keep the engine in shape and wait for the siren to sound. Horss must also be purchased to pull the gasoline pumper, new hydrants added, and pressure improved.

Apparently, twice when the C. F. U. A. inspector visited the town, the Almonte fire engine refused to go. The inspector, therefore, demanded that it be tested out every day to see that it was in running order. Town officials view the report as an attempt to forestall a cut in insurance rates which they declare is due since the town installed a new up-to-date water works system.

Valuable Beet Crop

Over a million dollars was paid out to Alberta sugar beet growers for the 108,000 ton crop produced near Raymond last year. A similar industry for Manitoba is now in process of development.

Life Company Legal Puzzle Found in Act

What is perhaps a technical error in legal phraseology but at any rate raises a nice point for controversy is the wording of clauses in the new federal insurance act in regard to the investments which a life company operating in Canada may make in the shares of other life insurance companies and in insurance policies issued by itself or by other companies licensed in this country.

The old federal act (now to be superseded by two new federal acts) permitted a life insurance company among other things to invest its assets in: "life or endowment policies or contracts issued by the company or by any other life insurance company **licensed to transact business in Canada.**"

Similarly it prohibited a company from investing in its own shares or in the shares "of any other life insurance company."

Nice Legal Point

The new act, in so far as the status and powers of Dominion licensed companies are concerned has exactly the same prohibition in so far as a life company investing its shares in another life insurance company is concerned, but its clause respecting the purchase of life or endowment policies or contracts allows it to purchase the policies or contracts of **"any other company authorized to transact the business of life insurance"** as opposed to the former clause which allowed only the purchase of policies of a company licensed to do business in Canada.

The inferences are therefore; (1) that companies will be allowed henceforth to invest in the policies of any life company whether they are licensed in Canada or not, or else, (2) if the words "any company authorized to transact the business of life insurance" are meant to apply only to Canadian companies as they did in the old act in respect of the policy clause, then there is nothing in the new act to prevent a Canadian company from investing in the shares of a non-Canadian insurance company.

Whether this is a legal loophole or whether this is actually a new development in the insurance world is proving something of a puzzle to insurance officials. The concensus of opinion inclines to the view, however, that the law officers at Ottawa have committed a little legal blunder in their law making.

Association Crest

The rotunda of the Royal York Hotel, Toronto, now sports the above richly enamelled crest of the Life Underwriters Association of Canada thanks to the generosity of past president of the Toronto association. A similar crest is available for other local organizations throughout Canada.

Calgary Fire Loss Rises

Per capita fire loss of Calgary during 1931 amounted to $5.04 as compared with $2.55 in 1930, according to figures compiled from departmental reports.

Losses totalled $420,782, as compared with $242,791 during the previous year. Losses were highest in January when fire caused damage amounting to $182,594.

Current Events in Banking World

GENEVA LEAGUE REVIEWS CANADA'S BANKING SYSTEM

Finds Canadians Better Served Than Any Country But Australia

Canada has more banking offices on a per capita basis than any other country in the world except Australia, according to figures compiled (as at the end of 1929) by the Economic Intelligence Service of the League of Nations and contained in the first edition of a 500-page memorandum on commercial banks recently issued from Geneva.

The population per "domestic banking office" in Australia is 1,900, while in Canada the figure is 2,400. England (including Wales) and the United States rank eighth and ninth with a concentration of 4,000 and 4,500 persons per banking office respectively.

Canada ranks second also in the population per commercial bank, having one bank to every 896,000 persons, England and Wales being first with one bank to every 1,993,000 of population. Scotland is third with one per 611,000, while Australia in this comparison is fifth with one per 321,000. The United States has one commercial bank to every 5,000 of population.

Ninth in Deposits

As regards the aggregate deposits per head of population, Canada comes ninth on the list with deposits of $250 per person. Switzerland is first with $714 per head, and the United States second with $438. In Canada's case it is noted that the figure does not include deposits in foreign branches of the chartered banks. Nor are deposits with trust and loan companies included.

A summary of the position of Canadian chartered banks since 1913 is given in the report and shows that total assets, which at the end of that year amounted to $1,551,300,000, grew in 1929 to $3,521,000,000. In the sixteen-year period the number of chartered banks decreased from 24 to 11. Branches, however, increased from 2,962 to 4,069 in the same time. Total deposits (including current, time and other) grew from $1,141,800,000 to $2,696,900,000 during the same period.

History of Every Nation

The memorandum gives a history of the banking system of every country in the world. Canada's first bank was the Bank of Montreal, founded in 1817, with a capital limited to £250,000. The chief business of the early banks, the survey points out, was to issue promissory notes payable to bearer on demand; these notes constituted the chief circulating medium in the Canadas. The only limitation on the issue of these notes was that the debts of the banks were not to exceed three times their paid-up capital. The memorandum comments upon the "very marked tendency" toward concentration of banking resources, twelve banks having become absorbed with others between 1913 and 1929.

Information on commercial bank deposits in all countries for which such data are available has of recent years been given regularly in various publications of the League of Nations, more especially in its Statistical Year Book. From now on, it is announced, such information will be given monthly in the League's bulletin of statistics.

GOLD FOR NOTES IN HIGHER RATIO

January Reserve $4,900,000 Above Statutory Requirements

Dominion notes in circulation as at January 31, 1932, totalled $170,382,806 at which they were just $4,000,000 less than the month before, a far less than normal contraction for this month. Gold reserve held against the note issue by the Minister of Finance, Ottawa, decreased approximately $2,800,000 to $61,882,806, at which it was $4,897,740 in excess of statutory requirements. Excess sold held at the end of the previous month amounted to $2,740,000.

The drop in note in circulation is entirely accounted for by a reduction of that part of the issue representing advances to the banks by the government under the Finance Act against deposit of collateral securities, this amount dropping from $49,000,000 in December to $45,000,000. The other two parts of the note issue, namely, those issued under Chapter 4 of the Act of 1915, against railroad securities, and those issued under the Dominion Notes Act of 1927 against a prescribed proportion of gold, remained practically unchanged at $26,000,000 and $99,382,806 respectively.

Answers Journal's Attack On Branch Bank System

Many Advantages of Canadian System Are Self-Evident Under Present Circumstances

By K. A. CLARKE
Accountant, The Royal Bank of Canada, Sydney, N.S.

In The Financial Post issue of January 20, an editorial from the American Banker was reproduced which challenged the efficiency of the Canadian branch banking system.

Firstly, attention was drawn to the fact that our Canadian dollar has depreciated, giving as the cause our branch banking system, but the writer failed to tell us how it is responsible. Our dollar in Canada, and in practically every nation of the world today has one hundred cents of purchasing power. The U. S. A., the hoarders of most of the world's gold supply, knows why it has not full purchasing power there. If not, some enlightenment may be had from the address of Beaudry Leman, given at the annual general meeting of the Canadian Bankers' Association November 12, 1931.

It is charged against the branch banking system that, instead of suspending individually when faced with a run, they pull the monetary standard of their countries down when they face the crisis of deflation. We must ask: When have our banks faced runs? When have they faced insolvency? Not to our knowledge in recent years, though these conditions do prevail under the unit system of the United States of America.

Better Banking Service

The argument that our banks cannot suspend to liquidate locally, as do the American banks has no bearing on the subject because our institutions by virtue of their wide diversification and large capital investment are able to absorb such branch losses without crippling their institution or the business of the community in which misfortune was met. Because of this fact Canada has no cities or towns absolutely without banking facilities as is the case in several sections of the United States today, due to unit bank suspensions.

Mobility of Loanable Funds

Concentration of the surplus funds of Canada through the system of branch banking makes for the equitable distribution of the loanable funds of the nation, with the result that money is taken from the communities where business does not require its use, and it is loaned where needed through the efficient and sympathetic local bank managers, under the skilled guidance of the mature and tried judgment of the head office officials, who at all times are watching the pulse of the nation's business. These things have helped to an inestimable degree the development of Canada, where the people of the new communities can borrow at the same interest rates as those of relative financial standing in the business centres. That has not been the history of the United States' unit system, where people in new sections and in the agricultural sections have in the past been forced to pay rates of interest much higher than prevailed in Canada at the same times, and much higher than the loaning rates in their own financial centres.

Training of Officials

In the matter of training, Canadian branch managers gain a thorough knowledge of every aspect of banking under a variety of conditions by serving in many capacities through several of the bank's branches. Such a training is not possible under the unit system.

Branch managers, selected on merit, settle in the localities which they serve, and while each soon becomes one of its fully-fledged citizens, they are free of the family ties and local prejudices and partisanship that have in at least some cases of unit banking resulted in too free credit to associates and relatives, sometimes resulting in the insolvency of the bank and loss to the depositors. Then there have been cases where rivals of those in control of the unit bank have maliciously been denied credit of which they were worthy.

Better Management

Many of those responsible for the management of small unit banks in the United States have practically no banking qualifications or training for the position, and some only fill the positions because they hold control over the sentiment of the small number of shareholders who have subscribed the few thousand dollars of capital necessary to form a unit bank to transact business.

In Canada we have no money market manipulators, and there is **no banking monopoly as contended,** our banking business being a highly competitive one in all respects.

No Fair Trial

Branch banking in its true sense, has never had a trial in the United States. As practiced in Canada it means distribution of the loaning and earning risks not only to all parts of the nation, but to foreign countries of good possibilities, which has resulted not only in that highly prized diversification, but in the expansion of the nation's export trade as well.

In conclusion, the co-operation, good management, and safety of depositors which are mentioned as highly desirable, are all attained in Canada, through the branch banking system and through the Canadian Bankers' Association. Their effects are patent in the solidity of our banking institutions in this time of world-wide economic stress.

Bank Chat

A NEW BRANCH is planned by Banque Canadinne Nationale at St. Denis and Laurier Avenue East, Montreal, to serve the northeastern section of the city. With the completion of this branch in May this bank will have 65 branches operating.

GEORGE H. MILLER, formerly manager of the Swift Current, Sask., branch of the Bank of Montreal, has been appointed manager of the branch at Preston, Ont.

E. R. HAYES, formerly manager of the Preston branch of the Bank of Montreal become manager of the St. Thomas East-End branch.

The Canadian Bank of Commerce announce the following changes:

M. A. INNES, assistant accountant at Market branch, Toronto, has been appointed accountant.

J. F. MACDUFF, assistant accountant at Portage and Garry, Winnipeg, has been appointed accountant.

F. R. CURRIE, assistant inspector, Vancouver, has been appointed an assistant inspector, in charge of audits, at head office.

S. M. SCAMMELL has been appointed audit officer in the superintendent's department at Halifax.

G. C. BRIGHTRALL, formerly accountant at Strathroy, Ont., has been appointed accountant at Cranberry, B.C.

Westview, B.C., sub-agency to the Powell River branch, will be closed on March 2.

London, Ont., sub-agency to the Powell River branch will be closed on March 3.

Saint John Seeks Industries

Ways and means to secure new industries for Saint John were discussed at a recent conference called by Mayor White, the general sentiment being that the present is a favorable time for launching such a movement. The city council, the board of trade and other public bodies are co-operating.

Weekly Bank Clearings

Eastern Cities

	Feb. 26, 1931	Feb. 25, 1932
Halifax	$ 2,475,147	$ 1,942,499
Saint John	2,648,000	1,475,145
Moncton	655,678	576,552
Sherbrooke	763,824	506,637
Quebec	5,075,231	3,399,269
Montreal	97,818,451	70,083,067
Ottawa	6,266,540	4,076,768
Kingston	487,647	436,687
Peterboro'	612,789	529,652
Toronto	93,657,397	63,432,514
Hamilton	4,677,696	3,138,101
Kitchener	884,912	681,529
Brantford	783,481	633,262
London	2,262,306	1,991,367
Chatham	507,126	372,636
Sarnia	440,407	335,220
Windsor	2,906,244	2,254,249
Sudbury	636,183	404,853

Western Cities

	Feb. 26, 1931	Feb. 25, 1932
Fort William	$ 476,608	$ 407,677
Winnipeg	30,331,994	30,362,714
Brandon	264,150	243,943
Moose Jaw	565,631	423,642
Regina	2,601,155	3,098,778
Saskatoon	1,431,482	1,158,383
Prince Albert	285,622	290,551
Edmonton	3,693,416	3,221,746
Calgary	6,878,991	4,536,747
Medicine Hat	194,496	167,251
Lethbridge	352,974	274,174
New Westminster	254,323	362,314
Vancouver	14,134,345	11,913,643
Victoria	1,650,868	1,226,990

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Claims Paid Exceed - - - - - - - - 1750 Million Dollars

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...e Largest Insurance Organization in the British Empire
Established 1848

Distinguishing Characteristics

Facts from the Annual Report
(Weekly Message)

THE strong financial position of the London Life is demonstrated by the fact that in 1931, notwithstanding general unfavorable conditions, the Company was able not only to maintain *all* its special funds intact, but to strengthen them by more than one and a half million dollars. The surplus, including these special funds, now stands at $11,100,736 beyond the requirements of the Dominion Insurance Act.

This amount is made up as follows:

Reserves held in excess of requirements of Dominion Insurance Act	$ 4,986,704.00
Profits Accruing but not due	827,709.00
Provision for Profits payable in 1932	1,059,602.00
Investment Reserves, Dividend Contingency Fund and other special reserves	1,415,000.00
Surplus Unapportioned	2,811,721.09
Total	$11,100,736.09

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LIVING STANDARDS OF WAGE-EARNERS LOWERED IN 1931

But Only Half of Gains Made in Past Six Years Wiped Out

BANK MAKES SURVEY

Workers Who Were Regularly Employed in 1931 Were 7 Per Cent Better Off

That the standard of living among wage earners in Canada declined approximately 5.2 per cent during 1931 and a like amount in 1930, but that the purchasing power of wage earners who were continuously employed during the year actually rose by a little over 7 per cent, is the substance of the annual survey of wage and welfare in Canada published by the Bank of Nova Scotia in its monthly review of business for February.

The analysis attempts to show for five main bodies of workers in the building, manufacturing, railway, mining and logging groups, just what has happened in the past decade in so far as (1) actual wages (2) purchasing power of wages in terms of the changing cost of living, and (3) the final effect of these changes on the general standard of living of Canadian wage-earners when time lost through unemployment is taken into account.

Money Wages Off 3 Per Cent

In the first case it is found that the actual money wages received by wage-earners for all groups declined slightly less than 3 per cent during 1931, the official government index at the end of the year standing at 102.3 as compared with 105.3 a year ago which marked the high point in a curve which has been gradually ascending since 1925. In spite of the decline the 1931 figure is higher than any year in the past decade with the exception of 1929 and 1930.

Analyzed by groups, wage earners in the logging industry showed the greatest drop in money wages received, while those in the mining industry suffered least. The indices are as follows:

Money Rates of Wages
(Base 100=Mean of Period 1925-1929)

	1931	1930	1929	1928	1927
Building	108.1	112.3	109.1	102.5	99.1
Manufac.	99.6	101.9	101.5	100.5	100.0
Railways	102.4	104.8	104.7	101.8	101.6
Mining	100.7	100.7	100.4	100.4	99.9
Logging	89.3	100.8	101.7	101.0	100.2
Average	102.3	105.3	104.1	101.4	102.3

Purchasing Power Higher

The next analysis shows that when actual money wages received during 1931 are interpreted in terms of cost of living, the purchasing power of workers (assuming the worker has not suffered through shorter working hours or total unemployment) has actually increased during the year by over 7 per cent due to a drop in the cost of living. The bank's index for 1931 shows a remarkable upturn to 112.6 for all groups of wage earners which compares with 105.1 in 1930, 103.3 in 1929, and 101.9 in 1928.

Analyzed by groups it is found on this basis that the mining industry would have fared best during 1931 had wage earners been fully employed during the period, while railway employees rank next and manufacturing groups third. Employees in the lumber industry in spite of a drop in living costs were worse off in 1931, however, than in 1930 and in fact than in any year since 1926. Figures for each group according to the bank's index numbers are as follows:

Wages in Terms of Cost of Living
(Base 100=Mean of Period 1925-1929)

	1931	1930	1929	1928	1927
Building	119.1	112.3	108.4	103.2	99.7
Manufac.	109.6	101.9	100.8	101.2	100.7
Railways	112.8	104.8	104.0	102.5	102.3
Mining	111.0	100.8	99.8	101.1	100.5
Logging	98.4	100.8	101.1	101.7	100.9
Average	112.6	105.1	103.3	101.9	100.7

Standard of Living Affected

The most interesting analysis is, however, the final summary which attempts to interpret both money wages and costs of living, in terms of employment. As already noted, this final result shows that for all groups of wage earners, the standard of living as determined by the trend of the above three factors showed a decline of approximately 5.2 per cent during 1931, the bank's index dropping from 104.0 to 98.6.

The important feature of the analysis, however, is that in spite of this decline which followed an almost similar decline in 1930, the exceedingly high standard of living attained by Canadian wage earners in 1929 has only been impaired by one-half. In other words although there has been a drop of over 10 per cent in the standard of living of wage earners in the past two years, this has offset by but little more than half the gain made between 1925 and 1929 when the standard of living rose on the average by approximately 21 per cent.

Logging Hardest Hit

Breaking this result into the five different groups it is found that the chief economic sufferers during the past year have been the logging industries whose standard of living on this basis has dropped from 100.4 a year ago to 55 at the end of 1931. On the other hand wage earners in the building trades have actually improved their position in spite of unemployment, their index standing at 116.3 per cent as compared with 114.2 a year ago.

Detailed statistics for all trades are as follows:

Wages in Terms of Living Costs and Unemployment
(Base 100=Mean of Period 1925-1929)

	1931	1930	1929	1928	1927
Building	116.3	114.2	112.6	107.5	101.3
Manufac.	92.4	100.2	108.5	104.4	99.7
Railways	102.3	104.0	109.1	104.5	101.7
Mining	104.0	104.9	107.5	105.3	99.4
Logging	55.0	100.4	116.3	105.6	99.2
Average	98.6	104.0	109.7	105.0	100.2

The bank summarizes its findings as follows:

"While this recession, from 1929 to 1931, is discouraging in itself, we may consider ourselves fortunate, as a nation, that it has not been greater. If we compare the conditions of 1931 with those of 1925 (at the close of the last depression) we find that apparently slightly more than half of the ground gained between 1925 and 1929 (in the form of increased comfort, and new luxuries for the wage-earner) has now been lost. A continued fall in average living standards, if it were to proceed at the same rate as that recorded during the past two years, would probably, by the close of 1933 but not earlier, bring them down again to the level of 1925.

"Thus, in the baldest terms, we may sum up the evidence for believing that (as stated above) there has been a downward revision, but not yet a wrecking, of standards of living among the workers in this country, considered as a class.

"If, when business does revive, and employment again becomes general, rates of money wages and the retail cost of living can be stabilized at or about the present levels, it will still be possible to claim that the Canadian wage-earner maintains a standard of living which is equalled in few countries, and seldom surpassed anywhere."

Does Profit-Sharing For Employees Pay?

Stock Sale Plans Are Under Fire in Time of Depression—Robert Simpson Co. Plan Proves Satisfactory Through Depression Years

This is the first of a series of articles on Canadian profit-sharing plans. The next article will appear in an early issue.

During the palmy days of the post war inflation period and in the increasingly active years that followed the deflation many boards of directors decided out of the kindness of their hearts and the fullness of the exchequer to allow their employees a chance to share profits by buying the employing companies' stocks on terms a little better than the general public could obtain. Various plans came into being and the majority of those adopted by established companies showed a sincere desire to aid the employees to build up an investment list which would be of value to them in later life. It was hoped as well that by giving them a growing interest in the ownership of companies it would also deepen their loyalty and make them work harder to advance the interests of the companies as such action would advance their own as well.

For Better or Worse

In those days the affairs of the most important of these companies were flourishing. Every year showed greater earnings and prospects. Stocks increased in value on the market and dividends were also made larger. In theory the plans embraced much the same idea as is embalmed in the familiar words of the marriage ceremony where the bride and groom engage to stick by each other "in sickness and in health, for richer, for poorer, for better for worse." In addition to salaries and wages the workers were to share in the profits whatever they might be of their employing companies.

The possibility of years when profits might be low or nil undoubtedly crossed some minds like an unpleasant shadow at once dismissed, and it was taken for granted that the plans would in reality work out that the contract was for health and for richer and for better only. Just now the workers and employers are sharing in the darker and unexpected side of that contract, many dividends have been passed, bonuses have been dropped in a large number of cases and in some cases where growing profits were buoyantly expected there have been in the last year no profits at all. The employees have this advantage that under these plans they are never asked to share losses. They suffer enough when staffs are reduced or let out.

Savings Dissipated

Some employers feel worse in this period of discouragement about the effect on employees than about the effect on their own fortunes. Too often it was found that the buying of stock did not lead to financial independence and that as an employee obtained full control over his stock he used it to establish an equity with a broker to buy other stocks on margin. In the boom too many lost their own stock and the other stocks bought as well, the worker sharing in his small way with an experience which came as well to a number of millionaires and multi-millionaires.

These various plans started at a time when everybody was talking of the advisability of sharing profits with employees. Books were written on profit-sharing and the arguments in a good market appealed to generous men but the same men now feel in many cases that it was unwise to start men on an investment programme which entailed the holding as an investment of securities which have in the event dropped swiftly under the hazards of a bad market in a time of depression.

Robert Simpson Plan Succeeds

Some of the plans from the beginning tried to emphasize savings and gilt-edge investment. Sears, Roebuck of Chicago, for instance, had a plan it was very proud of; it was liberal in rewards and bonuses to employees. It was based on a plan really started by Harris Trust Co. With modifications suitable to Canada the Robert Simpson Co., Ltd., adopted a similar plan after the present President, C. L. Burton, and another executive had made a study of various plans. Its success in a time of depression may be most easily studied in the case of the Canadian company.

The Financial Post is informed that the profit-sharing fund now amounts to about $1,425,000, that it increased during such a bad year as 1931 by $120,000 and that $120,000 was withdrawn by employees during the year. The first principle of the Harris Trust Co. and Sears, Roebuck plans was that the plans should be based on voluntary contributions by employees and that they should favor the employee desiring to find a future in the business, and the second feature was that the company itself should find a basis for declaring out of its own earnings a substantial amount that would presumably match the employees' effort but not necessarily for the same amount or of the same character. The Robert Simpson Co. executives were attracted to the plans cited because every employee was given statements from time to time showing exactly the amount of his contributions, what these had earned and how many shares stood to his credit.

Buy Gilt-edge Bonds

In the case of the Robert Simpson Co. it was recommended that, instead of following the Sears, Roebuck plan of issuing the company's own shares to employees, the fund should be separately invested so that the employees' savings would be secure from any influence which might affect the earnings of the company. It was stipulated that 60 per cent of the securities should be invested in trustee securities and since it was formed the growing fund has been invested in first-class Dominion, provincial and municipal bonds.

Executives of the company report after thirteen years experience with this fund that they consider it has worked out satisfactorily. It has grown from nothing in March, 1919, to its present dimensions of $1,425,000 in 1932. In this year of depression it is anticipated that as usual there will be a picnic atmosphere about the store when employees receive their statements showing the amounts to their credit. Comparatively low paid employees who can put 5 per cent of their earnings into this fund find after a few years that they have several hundreds of dollars to their credit which they can withdraw at will. No employee or executive officer has been permitted to put in more than $100 in any year so that the benefit of the fund has accrued mainly to the rank and file of the staff of the store. It differs in this respect from most plans which permit benefits to accrue in direct proportion to the earning power of employees and officers. In the case of the Robert Simpson Co. no employee is permitted to benefit by the fund by a percentage of savings on an excess of salary above $2,000 a year.

By the terms of the plan any girl leaving the firm to be married after five years may get the full benefit of the earnings she has put in the fund, the company's contribution and the earnings on its combined fund. In 1930 about 35 such girls left to be married, each drawing out an average of $600 to assist in establishing the new home. No other employee may benefit by the fund to this full extent until after ten years. Any employee, however, any day may withdraw his savings with interest at 5 per cent, compounded semi-annually.

Executives Like Plan

When Mr. Burton was asked by a representative of The Financial Post to express his opinion of the value of this fund in a time of depression, he said:

"We believe that this fund has contributed greatly to the social improvement, loyalty and feeling of security of employees who have taken advantage of this fund. The employees evidently recognize this as there are very few of them who are not represented in the profit-sharing fund. Those who have been in it for the full period and who have saved the maximum amount permitted will have now in excess of $3,500. It has been valuable to the employee and has helped the individual in solving his ultimate problems, and so far as the company is concerned it has proven one of the best stabilizers of turnover in employment that we know of."

Participants in the Robert Simpson Co. Employees Savings and Profit Sharing Fund are employees of more than one year of Robert Simpson Co. and Robert Simpson Eastern, Ltd., mail order branch at Toronto. The companies give 5 per cent of their net profits for the year and each employee 5 per cent of his salary up to $100 a year. The board of trustees consists of five people selected by the board of directors, three being officers or directors and two employees. Investment in shares or bonds of Simpson's Ltd. cannot exceed 40 per cent of whole. The fund may be discontinued at any time by announcement of the company to the board of trustees and in that case assets would be distributed.

The company's contribution in the year ended on February 3, 1932, was $42,198 and in the preceding year $251,554. This shows that such a fund does suffer somewhat in rate of growth in a year of depression but nevertheless a growth in the year from $1,307,022 to $1,425,000 shows an advance of about $117,978. If employees gave as much as the $124,440 given in the previous year the company's contribution and interest on total invested would advance the total as much as shown while permitting employees to take out as much as they put in.

Canada's Mergers Cover Wide Range of Activities

Examination of Records by Industries Reveals Widespread Variation in Degree of Success

By JOHN E. LANGDON

Article Three in Study of Merger Movement in Canada

It is a feature of Canadian corporate mergers that consolidations do not follow any well-defined trend. There are, as already pointed out, certain periods when mergers occur in greater frequency due to a combination of circumstanes, but it has not followed that consolidations are common to one industry in any particular period. Rather are they widely distributed among the different industries and represent advantage taken of the time and conditions.

Before getting down to specific merger results, both corporate and financial, it is well to examine in a broad way the general history of some of these consolidations since their inception.

Many mergers have flitted across the horizon of Canadian business, but unfortunately the records are far from complete. Otherwise it would be possible to obtain valuable, informative data. Up until 1910 or thereabouts existing records of mergers are meagre in detail, but from that time on it is possible to obtain a more or less complete picture.

Interesting Paper Mergers

The pulp and paper industry has been a popular field for consolidations. Most notable of the earlier ones was the Riordon Co., which came into being in 1920. The component parts had developed satisfactory earning power, but the break in the sulphite pulp market in the early post-war years and the piling up of inventories necessitated placing the merged enterprise in bankruptcy with consequent heavy loss to investors. The old Riordon property today forms the nucleus of Canadian International Paper's enterprise.

The next to stand forth was Canada Power and Paper Corp. This concern was conceived in 1928. It had merit of a sort, but the failure to co-ordinate operating units and the absorption of one company after another, all with comparatively high capitalizations brought in their wake financial difficulties which ended in the reorganization of the company in 1931 and, like Riordon, with heavy loss to the shareholders.

Other mergers in the paper trade include Canadian Paperboard (now in the hands of the receiver), St. Lawrence Corp., etc.

Steel Industry Attracts

The iron and steel and allied industries have always been a fruitful field for the promoter. The success of United States Steel Corp. has caused many promoters and bankers to try and emulate its success in Canada, only on a smaller scale.

Canadian investors have not forgotten the British Empire Steel Corp. fiasco, which, like Canada Power and Paper had to undergo a reorganization in 1930; resulting in the paring down of an inflated capitalization. Corporate Steel Products came into being in 1930 and went into the hands of the receiver less than two years later.

Canada Foundries and Forgings began its corporate history in 1912, but it has since had to revamp its capital downward. Canada Iron Corp. was another early merger but only seven years later—1915—it was reorganized and taken over by Canada Iron Foundries.

General Steel Wares, Enamel and Heating Products, Canada Machinery Corp. and others started off with glowing prospects, but have yet to make good the promise of early expectations.

Steel Co. of Canada is one of several mergers in the steel industry that has stood out from the general run, time having proven the soundness of the consolidation which took place in 1911.

Who remembers Steel and Radiations, a merger of 1910?

Curiously enough there have been comparatively few consolidations in the public utility field. But holding companies have been formed which, in effect, are the same as a consolidation. Of the purely operating utility mergers, there is British Columbia Electric Railway, now controlled by British Columbia Power Corp., on the Pacific Coast. Bell Telephone Co. of Canada was one of the principal mergers in 1880 and principally because of sound management has stood the test of time.

Cape Breton Electric, of 1902 vintage, held on for a long time, but its properties were sold at public auction last year. Dominion Power and Transmission is another of the pre-war utility mergers. It has been absorbed by Ontario Hydro-Electric Power Commission.

Maritime Telegraph and Telephone came into being in 1910, a year before Montreal Tramways Co.

Montreal Light, Heat and Power Consolidated, the most opulent of all Canadian utilities, started its career in 1916, though its history goes back to the beginning of the century and that of the individual units even farther back.

Ottawa Light, Heat and Power Co. and Quebec Railway, Light, Heat and Power Co., Southern Canada Power are other utility mergers of pre-war origin and still prominent today. Winnipeg Electric is another old-line merger, having been created in 1904.

Toronto Railway Co., a merger of 1892, sold out in 1921 to the publicly owned Toronto Transportation Commission.

Foodstuffs Attract Many

Foodstuffs and merchandising are kindred fields in which the promotor of mergers has been active. Both of these industries are peculiarly adapted to consolidations. Associated Quality Canners, a 1928 merger, has found the going difficult. Catelli-Macaroni Products, which came into being the same year, has not come up to original expectations. Consolidated Bakeries, Consolidated Food Products, Canada Vinegars, Dominion Bakeries, are also of the class of 1928. The prominence of these and other bakery mergers in recent years is attributed to the race between the milling companies to secure outlets for their flour—outlets which in the main have since proven to be costly.

Canada Biscuit is now six years old, but the intervening time has not proven the soundness of the merger. Canada Bread, one of the earliest of the bakery mergers, has had, on the whole, a sound record.

Canada Vinegars and Canada Packers have shown a satisfactory earnings power since their consolidation a few years back, Maple Leaf Milling, Eastern Dairies, Dairy Corp. of Canada, National Grocers, Viau Biscuit and Western Canada Flour are other mergers in this group.

The field of merchandising and public service has had a few notable mergers. Standing at the top of the list is Canadian Departmental Stores. This enterprise was formed in 1927 and it was estimated that earning power would be around $1,000,000 a year. It never had a chance to prove its earning power, for the following year it went into receivership and eventually was sold to the T. Eaton Co.

Canada Steamship Lines has had a checkered career and at present is feeling the pinch of depreciated earning power—a not uncommon experience.

Canadian Terminal System has run into difficulties which it is in process of ironing out. Sin-Mac Lines, has had a stormy career since its formation in 1928. It is now in receivership.

Industrials Fare Well

The record of the industrial mergers has, on the average, been somewhat better than in other fields, though here too, there are a number of enterprises which have proven unsound. Belding-Corticelli, Canadian Industries Ltd., Dominion Glass Co., Dominion Tar and Chemical, Dominion Textiles, Sherwin-Williams Co. of Canada, and others have had good records to date.

Canada Furniture Manufacturers, organized in 1914, has disappeared from the investment field. Imperial Tobacco Co., has had a successful career since its formation in 1912, as also Tuckett Tobacco Co. which now forms part of the former company. Woods Manufacturing Co. has not had a distinguished record. Wabasso Cotton was long a revenue producer but of late has not been faring too well.

In the next article it is proposed to go into detail regarding the earnings record of the Canadian mergers. — a record both good and bad.

SUPERSILK HOSIERY PROFIT WAS HIGHER

Dollar Sales Down; Physical Volume Up; Surplus Increased

Supersilk Hosiery Mills Ltd. handled an increased physical volume of business during 1931 but dollar sales for the year dropped to some $640,000 from $670,000 reported for 1930 due to lower prices prevailing for hosiery, according to the directors' report for the year ended Dec. 31, 1931, signed by W. S. Thompson, president of the company. It is stated, however, that "after liberal reserves for depreciation and bad debts a profit of $61,000 was shown," which is an increase over profit in 1930 reported at $56,000.

Export business fell off during the year due to tariff adjustments but directors look to some improvement in 1932 depending on action of the Imperial Conference to be held in Ottawa. Negotiations are being made for connections in England.

It is stated that during 1931 a substantial improvement was shown in the company's balance sheet, active assets increasing to $249,000 from $205,000 at the end of 1930. Current liabilities have been reduced to $38,000 from $53,000, and surplus, after payment of preferred dividends, is up to $74,000 from $54,000. The company has not as yet issued an audited balance sheet or earnings statement.

NOVA SCOTIA LOAN RECORDS GROWTH

Assets Over $3,000,000 at Close of Past Year

From Our Own Correspondent

MONTREAL.—Nova Scotia Savings, Loan and Building Society reports financial condition as satisfactory at the end of last year.

The general fund shows receipts during the year of $1,400,325, of which $769,995 represented subscriptions on shares. Deposits totalled $101,911 and debentures $293,392. The balance of the income was made up of numerous small accounts.

Disbursements from the general fund included $815,869 in advances to shareholders; $218,328 in withdrawal of shares; $227,930 debentures repaid and interest; $84,666 deposits repaid and interest. The other items of disbursements are general in character.

Large Mortgage Loans

Assets of the society at the end of the year totalled $3,115,588, of which $2,977,418 represented mortgages; $2,420 insurance premiums due; $2,894 real estate held for sale; $8,000 office premises; $65,699 C. N. R. guaranteed bonds; $57,125 Province of Nova Scotia bonds and $2,030 cash in bank.

Liabilities included $1,498,009 subscription shares; $1,120,912 debentures and interest; $110,298 deposits and interest; $60,000 Bank of Nova Scotia loan; special reserve for government taxes of $21,368; and rest account $305,000.

Eastern Trust Names McCurdy as President

From Our Own Correspondent

MONTREAL—Hon. F. B. McCurdy, P.C., has been elected to succeed Hon. W. A. Black, M.P., as president of the Eastern Trust Co., of Halifax. The latter becomes chairman of the board. Other appointments confirmed at the annual meeting cover the election of O E. Smith, J. B. Douglas and T. F. Tobin, K.C., as vice-presidents. Since the last meeting the following directors have been added to the board: John Bassett, Montreal; Cyril W. Stairs, Halifax, and D. C. Sinclair, New Glasgow.

Gordon Scott Re-elected to Steel Wares Board

From Our Own Correspondent

MONTREAL.—Gordon W. Scott was re-elected to the directorate of General Steel Wares at the annual meeting of the company. Mr. Scott retired from the board when an amendment to the Companies Act prohibited the auditors of a company from occupying a place on the directorate. In view of his re-election, the position of auditor passes to another firm. Other members of the board were re-elected.

Canadian Trade Index

A classified list of over 10,000 Canadian manufacturers and their products is contained in this annual publication of the Commercial Intelligence Department of the Canadian Manufacturers Association, and called the Canadian Trade Index.

The index also contains a produce section giving names of producers of a variety of agricultural products, a complete survey of Canadian export trade, together with information showing those firms in Canada interested in and prepared to do export trade.

This is the only publication of its kind in Canada and is published by the C. M. A. at Toronto. Price $6.00.

To Inspect Okanagan Valley

The inspectional tour arranged by the British Columbia Government will bring 50 representative Britishers into the Okanagan Valley in June. During their three days in the valley they will be shown much in the way of business opportunities.

Pulp and Paper Industry

EUROPEAN PULP TRADE UNSTEADY AT PRESENT TIME

Decline in Demand and Weakening Prices Are Features

From Our Own Correspondent

MONTREAL. — Declining consumption and weakening prices are features of the European pulpwood market at present, according to cable reports received from its representative by the United States Department of Commerce.

Quotations in most countries have reached a level which does not permit forest owners a satisfactory return on their investment. In some instances selling prices very little more than cover freight rates to the respective f.o.b. points.

The three north European countries are in a somewhat better position, inasmuch as they are paying for their pulpwood in depreciated domestic currencies and, in some cases at least, are selling their pulp and paper on a gold basis—which gives them certain advantages in competition with other European countries that have not suspended gold payments.

Expect Lower Cut

The general opinion seems to be that the pulpwood cut will be reduced in expectation of better prices later on.

In reporting upon conditions in the individual pulp producing markets, the report goes on to say:

Prices paid for pulpwood on the Norwegian market during this season, it appears, will average between 10½ crowns and 11 crowns per cubic meter, depending upon the quality of the wood and the location of shipping points. No sales agreement has been entered into this year between the central organization of timber owners and pulpwood consumers as was done last year. In fact, the central organization finds it difficult to manage the interests of 50,000 or more individual timber owners, although theoretically the plan is quite feasible. Many mills still have on hand large amounts of pulpwood carried over from last year, so that sales this year can be expected to be very much below normal. The statement has been made that the limited market, together with the low prices prevailing, will make this a most difficult year for Norwegian timber owners.

Recent auction sales in Sweden show considerable variation in timber prices, including pulpwood, but the average is lower than in Norway by 2 to 2½ crowns per cubic meter. Exports are considerably less than those of a year ago, Germany being the only buyer of any importance.

The latter country, which has also been Finland's principal customer for pulpwood, greatly curtailed its purchases there in 1931. If this tendency continues, Finland will not be a factor in the European pulpwood market at all before very long. The country's productive capacity of pulp has been increased considerably during the last few years, so that losses in exports might be made up through increased domestic consumption, if all of the plants could be operated at capacity. Under present market conditions this is not possible.

Germany, which normally imports about one-half of its pulpwood requirements, reduced its purchases from foreign sources in 1931 by about 35 per cent as compared with the preceding year, and nearly 40 per cent compared with 1929. At the same time the average price per ton dropped from approximately $9.08 and $9.03 per metric ton in 1929 and 1930 to $7.47 per metric ton in 1931. Domestic sales of pulpwood are also slow, with prices between 40 and 50 per cent of the basic schedules, which is approximately 20 per cent less than a year ago. Consumption in Germany is considerably below normal, and buyers are exerting pressure for lower prices, in which they have not been very successful during the last month or so. It is possible, therefore, that present quotations represent the minimum. Even Soviet Russia is reported as refusing any further price concessions. Russia, in fact, has outdistanced both Finland and Poland as a source of German pulpwood supply during the past two years.

Czechoslovak pulpwood operators are quoting an average price of approximately $2.50 to $3 per cubic meter, depending upon quality, f. o. b. German border station. In these figures are represented 60 to 75 per cent transportation and freight charges, which does not leave a sufficient margin of profit for timber owners. These prices have given Czechoslovakia an advantage in the German border markets, where formerly Finnish, and more recently Russian, pulpwood dominated the market. With the reduction in freight rates by the Czechoslovak State Railways, it is to be expected that Czechoslovakia will be able to maintain its position in the German pulpwood market—even in the event the German Government inaugurates pulpwood import contingents.

Polish Import Duty

In Poland export duties on wood shipments, including pulpwood, became effective November 1, 1931, although these may be remitted if shipments and sales are made through the official export syndicate. This organization has been in activity only a few weeks, but it now appears that the entire plan, which was intended as a measure to stimulate exports, will meet with difficulties. The expected increase in export shipments has not materialized, in spite of the fact that railroads have granted a 15 per cent freight reduction. Shipments at present are considerably under those of a year ago, and large stocks are being carried over—which may lead to low-priced offers.

Eddy Starts Work On Sulphite Plant

From Our Own Correspondent

MONTREAL.—E. B. Eddy Co., manufacturers of newsprint and paper specialties at Hull, P.Q., has commenced the second stage of its plant rehabilitation programme, which covers the renovation of its sulphite pulp unit. Considerable work is involved in this project as well as a substantial outlay of capital.

It will be recalled that several months ago the company announced that it was going to overhaul its plant facilities thoroughly. The first step was to instal a new water filtration plant at a cost of several hundred thousands of dollars. This work was completed only a short time ago.

B.C. Income Tax May Be Increased

From Our Own Correspondent

VANCOUVER—Increase in British Columbia's income taxes is now regarded as inevitable by the provincial government. One of the proposals is to make the income tax applicable to everyone, without exemption. It would provide for a tax of 1 per cent per each $1,000 of income. The government is now engaged in pruning the budget tentatively announced at about $26,000,000. The government finds that it will be necessary to reduce this total to about $23,000,000 if the budget is to be balanced.

Abnormally light returns from the major industries—lumbering, mining and fishing—are given as one of the chief reasons for the province's curtailed income and the necessity for further retrenchment and increase in taxes.

Greenshields and Co. Re-establish Business

From Our Own Correspondent

MONTREAL.—With the election of Raymond Allan, formerly floor member of Greenshields and Co., as a member of the Montreal Stock Exchange, a new partnership of Greenshields and Co. has been formed and business resumed. The partners in the new firm will be exactly the same as in the old, namely, Richard O. Johnson, Russell D. Bell, Raymond Allan, Joseph H. Copeman, Barry German and Harold J. Stephenson.

It will be recalled that the old company went into bankruptcy last October. Following a meeting of creditors a plan of reorganization was approved. Under this plan it was agreed that 60 per cent of the net profits of the partners in the new firm would be paid in to the realization company with a view to making good any deficiency that might exist between the final amount realized by the liquidation of the assets and the amounts due to the creditors.

Competition in Prospect for Consolidated Oka Sand

From Our Own Correspondent

MONTREAL.—Competition for Consolidated Oka Sand and Gravel Co. is seen in the announcement of plans of the National Quarries Ltd. to invest $2,000,000 in quarries in the Town of Cote St. Michel, Island of Montreal. These plans have been ratified by the Metropolitan Commission and orders have been issued to the municipality to sell to the company 635 lots held by the commission in trust for the town. All the lots are destined to be converted into one quarry, which, it is stated, will be the largest in Canada.

The location of the new quarry, only a few miles from the heart of Montreal, will, it is expected, result in low costs for delivery in the city of quantities of sand, gravel and crushed stone.

Advertising Linage Less During January

From Our Own Correspondent

MONTREAL.—Total advertising in American newspapers during January last, according to data compiled by Media Records Inc. and published by Editor and Publisher, ran 13.4 per cent behind the same month last year, despite the gain in automotive business. Retail advertising dropped off sharply after the holiday rush, January linage in this class falling 13.7 per cent behind last year.

General advertising declined 11.2 per cent from the January, 1931, record, continuing the irregular course which it has followed throughout the past year.

Total display advertising, influenced largely by the retail trend was 13.6 per cent behind January, 1931, and classified held at 12.3 per cent below the previous year's mark.

Dalhousie Newsprint Mill Sets Daily Output Record

From Our Own Correspondent

MONTREAL.—Dalhousie plant of New Brunswick International Paper Co. continues to set new records for production. On May 18 last year, production in newsprint for the day reached 585.2 tons and stood as a daily production peak until January 16, 1932, when 592 tons of newsprint were produced. Two days later, the new record was broken, by the manufacture of 597 tons. Within another week, another record was established, when 604 tons of newsprint were produced in one day.

Consolidated Paper Closing Belgo Plant

From Our Own Correspondent

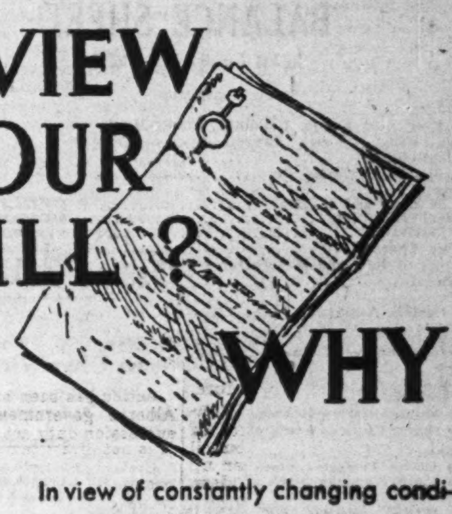
MONTREAL.—Consolidated Paper Corp., formerly Canada Power and Paper, officially announces that the Belgo mill at Shawinigan Falls will be completely closed on May 28. The company came to this decision in order to open its Port Alfred unit and employ the huge supply of wood threatened by long exposure to the weather.

This change in the operations of Consolidated Paper will enable it to offer some relief to the employment situation at the Port Alfred properties. While it means dismissing employees in one sector, it means giving employment at the other.

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

JAMES W. SEWALL
Consulting Forestry
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ontario

REVIEW YOUR WILL? WHY?



In view of constantly changing conditions—business, personal and family relationships, as well as in financial affairs—it is advisable to review your Will periodically. Such reviews usually show that an old Will does not meet present requirements.

The Royal Trust Company does not draw Wills, but will gladly assist in designing them, with a view to making them as effective as possible and capable of economical administration.

We invite you to confer with our officers who are experienced in these matters.

Send for copies of our booklets—
"Some Remarks On Wills" and
"Practical Hints On Making Your Will"

THE ROYAL TRUST CO
59 YONGE STREET - - - TORONTO
BRANCHES THROUGHOUT CANADA
ASSETS UNDER ADMINISTRATION EXCEED $576,000,000

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member:
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation
Reports
Valuations
Estimates
Paper and Pulp Mills
Hydro-Electric and
Steam Power Plants
Plans and Specifications

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

PENMANS LIMITED

Annual Report

For the Year Ending 31st December, 1931

DIRECTORS' REPORT

Your Directors beg to submit to the Shareholders their Annual Report of the results of the operations of the Company for the fiscal year ending 31st December, 1931.

The Sales for the year amounted to $5,352,128, as compared with $5,982,932 for 1930—a decrease of $630,804, or equal to 10.54%.

Keen competition brought about by adverse conditions of trade has, naturally, affected the results for the year. The Gross Profits amounted to $313,578.09, but as this amount was insufficient to cover the payment of Interest on Bonds, Dividends on Preferred and Common Stocks and writing off Bad Debts, the surplus of the Company was drawn upon to make up the difference. The Balance Sheet reflects a strong liquid position — the ratio of Current Assets to Current Liabilities being 18.15 to 1. The Inventories of Raw and Manufactured Goods are now at the lowest point for many years.

It is with deep regret that we record the death during the year of Mr. Isaac Bonner, a member of your board of Directors since 1924. Mr. Bonner had served the Company in various capacities for upwards of twenty-five years.

The Directors take pleasure in again recording their appreciation of the loyal service and effective co-operation of all those associated with the Company. The Books and Accounts of the Company have been audited during the year by C. S. Scott & Company, Hamilton, and their report is presented herewith.

Respectfully submitted,

C. B. GORDON,

Chairman.

PROFIT AND LOSS ACCOUNT

Year Ended 31st December, 1931

Gross trading profits for year ended 31st December, 1931, after deduction of Operating and Administration Expenses		$ 313,578.09
Deduct —		
Interest on Bonds	$ 110,000.00	
Bad Debts written off	58,544.65	
		$ 168,544.65
		$ 145,033.44
Balance as per Statement of 31st December, 1930		1,641,346.99
		$1,786,380.43
Deduct—		
Dividend Preferred Stock	$ 64,500.00	
Dividend Common Stock	258,072.00	
		$ 322,572.00
Balance at Credit		$1,463,808.43

BALANCE SHEET

31st December 1931.

ASSETS

Fixed—		
Comprising Real Estate, Buildings, Plant, Dwelling Houses, Water Powers, etc., — Less Depreciation		$5,121,832.03
Goodwill, Trade Marks, etc.		1.00
Current—		
Cash on hand and in Bank	$ 136,736.51	
Accounts Receivable	645,269.30	
Bills Receivable	446.50	
Deferred Charges	7,369.39	
Inventory of Raw and Manufactured Stock	1,505,403.79	
Investments	34,800.00	
Total Current Assets		$2,330,025.49
		$7,451,858.52

LIABILITIES

Capital Stock—		
Authorized:		
15,000 shares Preferred Stock, of $100 each	$1,500,000.00	
75,000 shares Common Stock of no par value	......	
Issued:		
10,750 shares Preferred Stock	1,075,000.00	
64,518 shares Common Stock of no par value	2,150,600.00	
		$3,225,600.00
5½% FIRST MORTGAGE SINKING FUND BONDS DUE 1st NOVEMBER, 1951	2,000,000.00	
Less Redeemed and Cancelled	108,000.00	
		1,892,000.00
Reserve Account		742,046.40
Current Liabilities—		
Accounts Payable	89,091.77	
Bills Payable	16,017.66	
Wages	23,294.26	
Total Current Liabilities		$ 128,403.69
Surplus — Balance Profit and Loss Account		1,463,808.43
		$7,451,858.52

BOARD OF DIRECTORS

1931

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SIR CHARLES GORDON, G.B.E.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING FEBRUARY 29

Range 1932 High	Low	Divd. Rate in $	Yield in % Feb. 27	Stock	Sales	Close Feb. 22 (or last)	Week Ending —Feb. 29— High	Low	Close
3	2½			Abitibi, c.	700	2½	2½	2½	2½
9⅞	6			Do. pref.	25	8½	8	8	8
x105	80			Do. pref.	....	80½			
80	80	7	8.8	Acme F. D'y, p	....	80			
5	5			Agnew Surp.	50		5	5	5
x88	83	7	8.4	Do. pref.	....	83			
7	4			Alta. Pac. Gr.	115	4½	4	4	4
25	20			Do. pref.	35	25	20	20	20
x4	3			Amal. Electric	....	3			
10½	9			Do. pref.	50	10	10	10	10
x8½	2½			Anglo N. Hold.	....	3½			
.37	.15			Asbestos	41	.20	.25	.15	.20
1.00	.65			Do. pref.	34	.75	.75	.65	.65
6	5½	60c	10.9	Assoc. Brew.	....	5½			
69½	68¼	7	10.1	Do. pref.	10	68¾	69½	69½	69½
10	3			Assoc. Can.	....	3			
x69	65	4+50		Assoc. Tel.	....	66			
18½	18½			Atlan. Sugar*	50		18½	18½	18½
92½	92			Do. pref.	....	92½			
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾			
225	215	12	5.6	Bk. Montreal*	....	215			
274	267	16	5.9	Bk. N. Scotia*	....	269			
198	193	12	6.2	Bk. Toronto*	1	193	193	193	193
x24	8½			Barcelona	....	15			
2½	2½			Bathurst Pr.	....	2½			
1	1			Do. (B)	....	1			
‡26	26			Bawlf Grain	....				
x25	20			Do. pref.	....	20			
x12	6			Beath & Sons	....	6			
10	10	1	10	Beatty Bros. A	....				
60	57	6	10	Do. pref.	10	60	60	60	60
3½	1⅛			Beauharnois	4380	1⅞	2	1⅛	1⅛
x93	85	7	8.2	Belding Cort.	....	85			
x100	90	7	7.8	Do. pref.	....	90			
x55	10			Belgo C. P. pf	....	10			
120	107½	8	7.3	Bell Telephone	1310	110¾	112	108½	109⅞
2	2			Biltmore Hats	....	2			
x65	45	7		Do. pref.	....	45			
4	2			Bissell, T. E.	....	2			
‡97	88			Do. pref.	....				
8	5			Blue Ribbon	....	5			
25	12	2	13.3	Do. pref.	....	15			
20	17½	2	10	Brant. Cd. pf.	200	18	20	20	20
14½	10⅝	1	7.3	Brazilian Tr.	10774	13⅜	14	13	13⅞
x½				Brew. & Distil.	....	½			
1				Brewing Corp.	....				
3½	2			Do. pref.	166	2½	2¾	2	2
10⅞	9⅜	80c	7.8	Brit. Amer. Oil	3565	10⅛	10½	10	10½
1⅞	1			B.C. Packers	170	1½	1⅛	1⅛	1¼
6¼	4½			Do. pref.	....	6			
26	21¼	2	9.1	B.C. Power	1418	23½	23	21½	21½
6	5½			Do. (B)	40	6	6	6	6
x8	4½			Bruck S. Mills	....	4½			
20¼	17	2	10.5	Building Prod.	100	18	19	19	19
32	28¼	3	10.2	Burt, F. N.	205	29⅞	29½	28¾	29
x146	137	6	4.4	Calgary Pr.*	....	137			
3	2½			Can. Bread	....	2½			
85	82	7	8.4	Do. pref. (A)	....	83			
25	25	2	8	Do. pref. B.	....	25			
9	7	1	12.5	Canada Bud	265	7½	8	7½	7⅞
7	5½			Can. Cement	813	6⅞	6⅞	6⅛	6⅛
66	61	6.50	10.3	Do. pref.	329	64	64½	62½	62½
b13½	10	1.20	11	Canada Dry	1500	11⅛	11⅛	10⅞	10⅞
6	5			Can. Forg. (A)	60	5	5	5	5
‡16	5			Do. (B)	....	4			
x68	60	3	5	Canada Iron	....	60			
x80	75	6	7.5	Do. pref.	....	80			
x650	630	20		Canada Life	....	630			
13	11⅜	1.50	11.5	Can. Malting	140	12⅞	13	12½	13
x25½	15	80c		Can. Nor. Pr.*	....	19½			
x107	104	7	6.6	Do. pref.	....	106			
x6				Can. Paving	....	½			
x51	10½			Do. pref.	....	10½			
186	185	12	6.5	Can. Perman.*	8	185	185	185	185
1	½			Can. Pr. & Pa.	170	½	½	½	½
2	2			Can. Steamsh's	40	2	2	2	2
9	5			Do. pref.	4	5½	5	5	5
16	14	1.60	10.7	Can. Vinegars	70	15	15⅞	14½	14½
55	47	4	8.5	Can. W. Cable	50	55	47	47	47
18	12⅜			Do. (B)	520	18	13	12¾	12⅞
1½	1¼			Can. Bakeries	70		1½	1½	1½
14	12			Do. pref.	....	12			
191	186	12	6.4	Can. Bk. Com.*	....	186			
x36½	19	1.25	6.6	Can. Bronze*	....	19			
102	102	7	6.9	Do. pref.*	....	102			
x13½	8	20c	2.5	Can. Canners*	....	8			
80	80	6	7.5	Do. 1st pf.*	....	80			
x14	8⅜	68c	7.5	Do. 2nd pf.*	....	9			
7½	6¼	1	15.4	Can. C. & F'y.	545	6½	6½	6¼	6½
16	14⅜	1.75	11.7	Do. pref.	310	15	15¼	14¾	15
5⅜	4¼			Can. Celanese.	550	4½	5½	5¼	5¼
x73½	59	7	10.8	Do. pref.*	....	65			
x58	30	2	6.7	Can. Convert.*	....	30			
‡50	45			Can. Cottons*	....				
60	60	6	10	Do. pref.	....	60			
13½	12			Can. Dredge	....	12½			
x92	92	7	7.6	Do. pref.	....	92			
68	68	6	8.8	Can. Fairb. pf.	....	68			
4	3⅜			Can. For. Inv.	....	4			
x80	70	8	10.4	Do. pref.	....	77			
x300	200	4	2	Can. Gen. Elec.	....	200			
58	54	3.50	6.2	Do. pref.	51	56	56	55	55
66	66	6	9.1	Can. Hy. E. pf.*	....	66			
1½	1			Can. Ind. Alc.	60	1½	1½	1	1½
.80	.50			Do. (B)	....	.60			
x5.00	3.95			Can. Int. I. Tr.	....	3.95			
x70	64½			Do. pref.	....	65			
20	20	1		Can. Lt. & Pr.	5		20	20	20
x18	1			Can. Locomo.	....	1			
x25	5			Do. pref.	....	5			
b1¼	¾			Can. Marconi	2500	1⅛	1⅛	1	1
12	10	1	8.3	Canadian Oil	230	10½	12	10½	12
98	98	8	8.2	Do. pref.	....	98			
19½	13¼	1.25	6.7	Can. Pacific	11398	17⅞	19½	17	19½
x6½	5			C. Pr. & P. Inv	....	5			
2½	2			Can. Vickers	....	2½			
20½	20½			Do. pref.	....	20½			
2¾	2	20c	8.9	Can. Wineries	....	2			
7½	7	1	14.3	Can. Wire Box	....	7			
12	9¼			Catelli Mac. A	125	10	10	9½	10
x5	5			Do. (B)	....	5			
x301	290	12+2	4.7	Cent. Can. L'n*	....	300			
2.05	1.44	10c		Chem. Research	2700	1.65	1.65	1.50	1.50
7.25	6.00	30c(c)		Cities Service	10	7.25	6.75	6.75	6.75
6	4½			Cockshutt Plow	100	5¼	5¼	5	5¼
2	2			Comm. Alcohol	10	2	2	2	2
3⅜	3			Conduits	....	3			
x94	84	7	7.8	Do. pref.	....	90			
8	5¼	1	16	Cons. Bakeries	251	6½	6½	5½	5½
1				Cons. Food Pr.	....	1			
x6	3			Do. (A)	....	3			
5	4			Cons. Indust.	25	4	4	4	4
x5	5			Cons. Paper	....	5			
15	15			Cons. Press	....	15			
30	30	7		Cons. Sand, pf.	40	30	30	30	30
72	64	2.50†	3.6	Cons. Smelters	620	69	70	67	69
166	151	10	6.5	Consumers Gas	111	153	152½	151	151
‡35	30			Cooksville Co.	....				
‡85	85			Do. pref.	....				
x20½	15			Corpor. Steel	....	15			
‡90	90			Corr. P. Box pf	....				
3¼	2¾			Cosgrave Br.	60	2⅞	3⅛	3	3⅛
5	3¼			Cosmos Imp.	....	4½			
68	62	7	11.3	Do. pref.	....	62			
3	2			Crown Dom. Oil	100	2¼	2	2	2
13	9	8		Crow's N. Coal	....	9			
x5	3			David & Fre. B	....	3			
x12½	12½			De Havilland	....	12½			
x9	5			Disher Steel	....	5			
x10	10	1.50	15	Do. pref.	....	10			
6¼	3½			Distill-Seagram	160	3⅜	4	3⅜	3⅜
194	189	12	6.3	Dominion Bk.*	5	189	189	189	189
27	27	2.50	9.2	Dom. Bridge*	....	27			
x40	40			Dom. Coal*	....	40			
22½	21			Dom. Engineer	....	21			
‡14	10			Dom. Found.	....				
x126	82	5	6.1	Dom. Glass*	....	82			
112	100	7	7	Do. pref.	....	100			
5½	3	40c	10	Dom. Motors	10	3⅜	4	4	4
7¼	3½			Dom. Pr. Stubs	260	5	4	3½	4
2¾	1⅞			Dom. St. & CB	205	2½	2	2	2
x24	24			Dom. Steel, pf.	....	24			
18	16¼	1.20+30c	8.6	Dom. Stores	890	17⅜	17⅞	17	17½
4	4			Dom. Tar & Ch	45	4			4
x95	79½	6.50	8.2	Do. pref.	....	79½			
63¼	50	5	9.8	Dom. Textile	348	55	54½	50	50
x123	120	7	5.8	Do. pref.	....	120			
x12	10			Donnacona	....	10			
2	1½			Dryden Pap.	350	1½	1½	1¼	1¼
4	3			Duff. Paving	....	3			
49	45	7	15.5	Do. pref.	....	45			
20	20			East Koot. Pr.	....	20			
x97	94½	7	7.3	Do. pref.	....	96			
16	16	1	6.2	East. Dairies*	....	16			
x20	16	50c		East. Steel*	....	16			
x100	97	7	7.1	Do. pref.*	....	98			
‡34	28½	2		East. Theatres	....				
‡85	80	7		Do. pref.	....				
x3⅜	3⅜			Easy Washer	....	3⅜			
x37	34⅛	1.75	4.7	Economic Inv.*	....	37			
x15	15			Edmonton D'y	....	15			
x80	78⅜	6.50	8.3	Do. pref.	....	78⅜			
4	4			Enam. & Heat.	....	4			
19	19	3	15.8	Eng. Electric	....	19			
2¼	1½			Do. (B)	....	1½			
x39½	16	2		Fam. Players	....	18			
x33½	18	2		Do. Vot. Tr.	....	18			
10	10	1	10	Fanny Farmer	95	10	10	10	10
29	28	2.40	8.6	Do. pref.	....	28			
‡83½	75			Firstbrook Box	....				
16¼	11			Ford Motors A	4252	14⅜	16¼	14⅜	16¼
3⅛	3⅛			For. Pr. Secs.	....	3⅛			
x16½	8	1	11.1	Foundation Co.	....	9			
1¼	1			Fraser Cos.	....	1			
x8	5			Frost Steel	....	7			
x96½	85	7	8.2	Do. pref.	....	85			
2½	2			Gen. St. Wares	25	2	2	2	2
80	70	5	6.5	Goodyear Tire	20	77	80	79	80
93½	80	7	7.5	Do. pref.	150	91	93½	92	92
x93½	93¾	7		Gould Pumps p	....	93½			
¾	¾			Gt. W. Saddlery	....				
x8	6			Do. pref.	....	8			
21	19	2	10.5	Gurd, Chas.*	15	21	19	19	19
5	3½			Gypsum, Lime	220	4	4	3½	3½
7	4½			Ham. Bridge	280	6½	5½	4½	5⅛
x80	63	6.50	10.1	Do. pref.	....	64			
10	10			Ham. Cot., pf.	....	10			
1½	1½			Ham. U. Theat	....	1¼			
53	48½	7	14.4	Do. pref.	....	48½			
4	3½			Hayes Wheel	....	3¾			
‡95	80			Do. pref.	....				
‡50	50			Hillcrest Coll.	....				
‡91	91			Do. pref.*	....				
1¼	1			Hinde & Dauch	175	1⅛	1⅛	1⅛	1⅛
x75	75			Holt Renfrew	....	75			
‡96½	90	7		Do. pref.	....				
3⅛	2¼			Honey Dew	5	3	2⅞	2⅞	2⅞
40	37	7	18.4	Do. pref.	....	38			
3¾	3			H. Smith Pap.	....	3			
27	22			Do. pref.	....	22			
21½	20½	2.40	11.7	Humberstone S	....	20½			
x23¼	17	1.40	8.2	Hunt (A)	....	17			
x23½	18½	1.40	7.6	Do. (B)	....	18½			
x150	143	8	5.5	Huron & E. M*	....	144			
x29½	28			Do. 20% paid*	....	28			
11½	8½			Hydro Electric	....	11½			
193	188	12	6.4	Imperial Bank*	....	188			
10⅞	9¼	50c	4.9	Imperial Oil	7701	10	10⅜	9¼	10¼
9⅞	7¼	35+17½c		Imperial Tob.	3602	7¾	7⅞	7½	7½
x80	80	8	10	Inter. Coal, p.	....	80			
x29	9½	2a		Int. Hyd. E. A	....	9½			
96	96	7	7.3	Inter. Mill. pf.	....	96			
x80	80	6	7.5	Do. Series A	....	80			
11	8½			Inter. Nickel	8947	9	9⅛	8⅝	8¾
4	4			Inter. Paints	....	4			
b2½	1⅞			Inter. Pa. & Pr. A	900	2	2	2	2
b1	1			Do. (B)	....	1			
b⅞	⅞			Do. (C)	....	⅞			
b11	7¼			Do. pref.	800	7⅜	7½	7½	7½
11⅛	10¼	1	8.9	Inter. Pete.	1788	11	11⅛	10¾	11
x8	5			Inter. Power	....	5			
x78	56½			Do. pref.*	....	57			
8	6½			Int. Util. (A)	10	7	7½	7½	7½
3	2			Do. (B)	....	2			
x40	40	1	2.5	Jam. Pub. Ser*	....	40			
x109	99½	7	7	Do. pref.*	....	100			
4	3⅜			Kelvinator	160	4	4	3½	3½
90	88	7	7.8	Do. pref.	....	90			
7	6			Lake of Woods	10	6½	6¼	6¼	6¼
x101	82			Do. pref.	....	85			
x140	140	8	5.7	Landed Bank.*	....	140			
38	36	3	7.9	Laura Secord	10	38	36⅞	36⅞	36⅞
8	5	1	20	Lindsay, C. W.	15	5⅛	5	5	5
60	60	6.50	10.8	Do. pref.	....	60			
10⅜	9½	80c	8	Loblaw (A)	60	10	10	9⅝	10
10⅛	9	80c	8	Do. (B)	70	9	10	9	10
‡2¼	2½			Loew's, London	....				
x25	19			MacKin. Steel	....	20			
x95	90	7	7.7	Do. pref.	....	91			
6½	6½			Manitoba Pr.	....	6½			
2	2			Maple Leaf	....	2			
20½	12			Do. pref.	15	13	15	13	15
x38	30			Marcus Loew's	....	38			
60	60			Do. pref.	20				
4½	3¼			Massey-Harris	1205	3⅝	3⅞	3½	3½
10½	9	60c	6.3	McColl Fron.	733	9¼	9¾	9	9
x80	69½	6	7.9	Do. pref.	....	76			
x45	35			Mexican L & P	....	35			
‡25	25			Mercury Mills	....				
‡89	58½			Do. pref.	....				
x40½	40	2	5	Mitchell, J. S.*	....	40			
x105	104	7	6.7	Do. pref.	....	105			
8	6	1	16.6	Mitchell, Robt.	10	6	6	6	6
x1	1			Monarch Knit.	....	1			
30	27¼			Do. pref.	....	27½			
x95½	83½	6	6.5	Montreal Cot.	....	92			
x102	98	7	7	Do. pref.	....	100			
2½	2½			Montreal Exhib.	....	2½			
x20	14			Mont. Is. Pr.	....	14			
38	36	1.50	4.2	Mont. L. & Pr.*	418	36	36	36	36
49½	48	3+25	6.8	Montreal Loan	....	48			
47	44½	3.20	7.1	Montreal Tele.	4	45	45	45	45
150	140	10	7.1	Mont. Trams.	....	140			
10	9	1	10.1	Moore Corp.	20	9½	9⅞	9½	9⅞
93	93	7	7.5	Do. (A)	....	93			
97	95	7	7.4	Do. (B)	....	95			
‡10	10			Mt. Royal Hot.	....				
‡49	49	1		Do. pref.	....				
2	1½	10c		Muirheads	....	2			
8	8	75c	9.4	Do. pref.	....	8			
24	24	1.60	6.7	Nat. Brew.*	1	24	24	24	24
27	27	1.75	5.6	Do. pref.*	....	31			
x35	3			Nat. Brick	....	5			
‡10	5			Do. pref.	....				
x19				Nat. Distiller	....				
x.50	.25			Nat. Steel Car	....	.40			
12½	8½	2		[illegible]	2441	9½	9½	8¼	9½
255	245	14	5.7	National Tr. *	7	245	245	245	245
10	10	1	10	Niag. W. Weav.	....	10			
x86	22	3	9.4	Do. pref.	....	32			
2.50	2.00			North Star Oil	....	2.25			
x4.95	4.00	35c	8.2	Do. pref.	....	4.25			
‡25	22½			N.S. Steel, pf.	....				
x285	125	8	4.3	Ogilvie Flour*	....	185			
100	99	7	7.1	Do. pref.	19	100	99	99	99
9	7	40c	5.7	Ont. Eq. 10% p	41	8	7¼	7	7
x120	113	6	5.1	Ontario Loan*	....	117			
x7	5			Ont. Silknit	....	7			
x16	13			Ont. Steel	....	13			
‡105	105	7		Do. pref.	....				
x1½	¾			Orange Crush.	....	¾			
45	44	7	15.9	Do. (A)	....	44			
x5½	1			Do. (B)	....	1			
x110	90	6	5.7	Ott. L H & P*	....	105			
x105½	102	6.50	6.3	Do. pref.	....	103			
x25	25			Ott. Traction	....	25			
68	49½	5	9.6	Page Hersey	219	54½	55	51	54
x49	21½	2.50d		Paramount	....	21½			
x35	30			Paton Mfg.	....	30			
x94	92	7	7.4	Do. pref.	....	94			
x½	½			Pelissiers	....	¼			
x30	25			Do. pref.	....	30			
x73	31	3	9.1	Penmans*	....	33			
x101	93	6	6.2	Do. pref.	....	97			
x.75	.50			Perfec. Glass	....	.50			
18½	18	2	11.1	Photo Eng.	....	18			
x40	10			Port Alfred, pf.	....	10			
x70	64	7	10	Porto Rico P. p	....	70			
b9	4¼			Postal Tele. p.	....				
36½	36½	2	5.5	Power Corp.*	....	36½			
90	90	6	6.7	Do. pref.	....	90			
2	2			Prairie C. Oil.	106	2	2	2	2
[illegible]	6½	25c	3.6	Pressed Metals	40	7	7	6½	7
x42½	25			Price Bros.*	....	25			
x99	70	6.50	9.3	Do. pref.*	....	70			
29	29	2		Quebec Power*	....	29			
x110	105	7	6.7	Real Estate L*	....	105			
2	1			Regent Knit.	225	1½	1	1	1
x10	5½			Reliance Grain	....	9			
10½	10	2	20	River S. Mills	10	10	10	10	10
12	12	1.50	12.5	Robinson Cone	....	12			
4	4			Rogers Majes.	10		4	4	4
x291	231	12	5.2	Royal Bank*	....	231			
x84	75	7		Ruddy, E. L. p	....	75			
x77½	32	2	5.7	Russell Motor	....	35			
70	61	7	11.1	Do. pref.	25	67	65	61	61
3	3			Sarnia Br. (A)	....	3			
‡12	3			Do. (B)	....				
7	5			Serv. Station	465	5½	5½	5	5
46	45	6	13	Do. pref.	....	46			
33	33	2	6.1	Shawinigan*	....	33			
8	8			Sher.-Wms.	190	8	12	10	12
x121	112	7	6.1	Do. pref.	....	115			
17	17			Simon & Son*	....	17			
x92	88½	7	7.7	Do. pref.*	....	91			
55½	39½	6.50	16.2	Simpson, Ltd.	54	42	43	40	40½
x44½	36			Do. (A)	....	36			
x35½	24½			Do. (B)	....	29			
x108	100	6	5.8	Simpson, R. p.	....	103			
25	15	1	5.5	So. Can. Pr.	400	25	20	15	18
90	89½	6	6.7	Do. pref.	50	90	90	89½	90
1.00	.75			St. Law. Corp.	880	.80	.85	.75	.75
4	2½			Do. (A)	....	3¼			
x20	16			St. Law. Flour	....	16½			
x85	82	7	8.2	Do. pref.	....	85			
11	9			St. Law. Pap. p	116	10½	9½	9	9
x30	4			St. Maur. V. p	....	4			
3	2¼			St. Pav. & Mat.	....	2¼			
x80	55	7	11.7	Do. pref.	....	60			
x1	1			Stanfords	....	1			
4	4			Stand. Chem.	....	4			
2⅜	2			Stand. Steel	....	2¾			
x35	30	8	10	Do. pref.	....	30			
22	20	1.75	7.9	Steel of Can.	828	21	22	21	22
29	24½	1.75	7	Do. pref.	660	26	25¾	24¾	25
1⅜	1⅛			Sterling Coal	....	½			
x31	15⅛	1	5.9	Sup. Pete. ord.	80	16½	17	16	16
14	14	1	6.7	Do. com.	....	15			
98	95	7	7.1	Do. pref.	....	98			
x49	41			Tamblyn	....	49			
100½	95	7	7	Do. pref.	15	95	100	98	100
18	17	3.50	19.4	Thayers, pref.	....	18			
x13	6⅛			Tip Top Tailors	....	7			
x90	77	7	8.4	Do. pref.	....	83			
x22	10			Tooke Bros.	....	10			
x67	48½			Do. pref.	....	48½			
12	11			Tor. Elevators.	....	11			
210	210	12	5.7	Tor. Gen. Tr.*	....	210			
x115	108	6	5.4	Toronto Mtge.*	....	110			
x3	1			Traymore	....	1½			
x12½	7			Do. pref.	....	7			
120	119	7	5.9	Tuckett Tob. p.	10	120	119	119	119
4	3¼			Twin City	....	3¼			
b24½	13	7		Do. pref.	....				
37	35			Do. (notes)	200		37	35	35
5	3¼			Union Gas	180	3½	3½	3½	3½
x101½	98	7		Union Trust*	....	100½			
x8	3			United Fuel	....	6½			
15	10			Do. pref.	5	10	11	11	11
x62½	40	2	5	United Secs.	....	40			
11	10			Viau Biscuit	....	10			
75	75	7	9.3	Do. pref.*	....	75			
12	10			Wabasso Cot.	....	10			
3⅜	2½	25c	6.9	Walker-Good.	8535	3⅛	3⅛	3½	3½
4	2⅞			Do., new	990	2¾	4	2⅝	4
12	10¼			Do. pref.	770	11½	11½	10¼	10¾
3⅜	3			Waterloo Mfg.	....	3			
80	75	7	8.9	W. Koot. Pr. p	....	80			
8	7			West. C. Flour.	....	7			
x96	70	6.50	9.3	Do. pref.	....	70			
10	10			West. Grocers.	....	10			
46	43	7	15.2	Do. pref.	25	43	46	46	46
x91	85			W. Steel Pr. p	....	91			
x45	30	1	2.6	Weston Bisc.*	....	38			
x90	79	7	8.9	Do. pref.*	....	79			
‡9	9			Whittall Can.	....				
x13	10			Windsor Hotel*	....	12			
x73	71	6.50	9.1	Do. pref.*	....	71			
8	5⅛			Winnipeg Elec.	230	6	6	5½	5½
x81½	49			Do. pref.*	....	50			
x40	36			Woods Mfg. p*	....	36			
‡2½	1½			Zimmerknit	....				
x7	7			Do. pref.	....	7			

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
d Stock div.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

February 26, 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber c.	6	6¼
Can. Amer. Tr. sh.	..	3¾
City Dairy (Wpg.) pref. 7%	..	65
Corporate Steel c.	..	5
Cresc.-Cream. pf.	..	80
Home Invest.	..	50

	Bid	Ask
Monarch Life	..	28
North. Trust	..	24
Un. Gr. Growers	12½	13
Reliance Gr. pf.	..	60
West Breweries	1½	2
Fund. Tr. shs. 'A'	..	4⅛
Do., 'B'	..	4¼
Grouped Inc. Shs.	..	4.49

Active Current Bond Prices

March 1, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100½	101.	4.80
Dominion of Canada 5½/34	100	100½	5.30
Dominion of Canada 5/43	96½	97.	5.35
Dominion of Canada 4½/46	91¼	92.	5.32
Dominion of Canada 4½/56	89.	90.	5.22
Dominion of Canada 5/36	97½	97⅞	5.49
Dominion of Canada 5/41	96½	96⅞	5.43
C. N. R. (Dom. of Can. Guar.) 4½/51	88¾	89¼	5.40
C. N. R. (Dom. of Can. Guar.) 4¾/55	92.	93.	5.27
C. N. R. (Dom. of Can. Guar.) 5/54	94½	94⅞	5.41
C. N. R. (Dom. of Can. Guar.) 5/69	94¾	95½	5.27
Province of Ontario 5/48	93.	94½	5.50
Province of Ontario 5½/47	99.	*99¾	5.56
Province of Ontario 6/35	100¼	100¾	5.70
Province of Ontario (Hydro) 4½/70	86.	87½	5.54
Province of Quebec 4½/56	88.	90.	5.20
City of Montreal 6/41	100.	103.	5.55
Abitibi Power & Paper 5/53	43.	46.	...
Argentine Gov't. (Ser. B) 6/58	55.	55½	...
Beauharnois Power 6/59	40.	45.	...
Bell Telephone Co. of Canada 1st, 5/57	100.	103.	4.75
Brazil, U. S. of, Ext. S. F. 6½/57	19.	20.	...
British Columbia Power 5/60	79.	83.	6.30
British Columbia Power 5½/60	84.	90.	6.25
British Columbia Telephone 5/60	88.	92.	5.55
Calgary Power 5/60	80.	84.	6.20
Canada Cement 1st Mtge. S. F. 5½/47	90.	93.	6.23
Canada Northern Power Corp. 5/53	75.	78.	7.00
Canada Steamship Lines 6/41	36.	40.	...
C. P. R. Collateral Trust 5/54	86.	90.	5.80
C. P. R. Secured Notes 4½/44	77.	81.	6.45
Chile Republic Ext. S. F. 6/60	12.	13.	...
Columbia Republic Ext. S. K. 6/61	23.	24.	...
Davies, Wm. 6/42	75.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	55.	60.	11.00
Dominion Tar & Chemical 6/49	77.	82.	7.90
Dominion Textile 6/49	96.	100.	6.00
Duke Price Power 1st, 6/66	81.	87.	7.00
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T. Realty 5/49	84.	90.	5.90
Famous Players 6/48	68.	76.	8.80
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	60.	75.	8.80
Fraser Companies 6/50	35.	45.	...
Gatineau Power, 1st Mtge. 5/56	79.	82.	6.48
Gatineau Power, S. F. Debs. 6/41	71.	74.	10.50
General Steel Wares 6/52	35.	40.	...
Howard Smith Paper Mills 5½/53	58.	64.	9.30
Harris Abattoir 6/47	75.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	60.	70.	8.75
Maple Leaf Milling 5½/49	59.	65.	9.30
Massey-Harris, 1st Mtge. 5/47	65.	72.	8.30
MacLaren Quebec Power 5½/61	76.	81.	7.00
Montreal Coke, 1st S. F. 5½/47	95.	98.	5.70
Montreal Island Power 5½/57	86.	91.	6.20
Montreal Light, Heat & Power 5/51	97.	100.	5.00
Montreal Tramways 1st Coll. Trust 5/41	91.	94.	5.85
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	82.	6.50
Moodie, J. R. 6/48	85.	90.	7.00
Ontario Power Service 5½/50	62.	68.	9.10
Ottawa Valley Power 5½/70	89.	92.	6.05
Power Corporation of Canada 4½/59	60.	67.	7.30
Price Bros. 1st S. F. Ser. "A" 6/43	50.	60.	11.60
Quebec Power 1st Mtge. Coll. S. F. 5/68	75.	85.	6.00
Shawinigan Water & Power 4½/70	79.	84.	5.50
Shawinigan Water & Power 5/70	90.	95.	5.30
Simpsons 6/49	76.	85.	7.50
Southern Canada Power 1st, 5/55	90.	96.	5.30
United Securities Coll. Trust 5½/52	80.	90.	6.37
West Kootenay Power 5/56	84.	88.	6.00
Windsor Hotel 6½/43	99.	100.	6.50
Windsor Hotel 6/47	80.	90.	7.10
Winnipeg Electric 5/35	90.	100.	5.00

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, pref.	$7	$1.75	Apr. 1	Mar. 15
Associated Breweries	60c	15c	Mar. 31	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Acadia Trust, c.	$10	$2.50	Feb. 29	Feb. 29
Bell Telephone	$8	$2	Apr. 15	Mar. 23
Brazilian Tr. pref.	$6	$1.50	Apr. 1	Mar. 15
Bank of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Brit. Amer. Oil (coupon 8)	80c	20c	Apr. 1	Mar. 15
Belding Corticelli pfd.	7%	1¾%	Mar. 15	Feb. 29
B. C. Power "A"	$2	50c	Apr. 15	Mar. 31
Can. Pacific Railway	$1.25	31¼c	Apr. 1	Mar. 1
Do., pref.	4%	2%	Apr. 1	Mar. 1
Can. Wire & Cable "A"	$4	$1	Mar. 15	Feb. 29
Do., pref.	6½%	1⅝%	Mar. 15	Feb. 29
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 19
Canada Nor. Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canada Iron Foundries	$3	$1.50	Mar. 15	Feb. 29
Do., pref.	$6	$3.00	Mar. 15	Feb. 29
Canada Bread, 1st pfd.	7%	1¾%	Apr. 1	Mar. 15
Canada Cement, pref.	$6.50	$1.62½	Mar. 31	Feb. 29
Can. Perm. Mortgage	12%	3%	Apr. 1	Mar. 15
Central Can. Loan	$12	$3	Apr. 1	Mar. 15
Can. Malting (coupon 17)	$1.50	37½c	Mar. 15	Feb. 29
Can. Cottons, pref.	$6	$1.50	Apr. 4	Mar. 19
Can. West. Nat. Gas, pfd.	$6	$1.50	Mar. 1	Feb. 15
Dom. & Anglo Invest. pfd.	$5	$1.25	Mar. 1	Feb. 15
Dominion Bank	$12	$3	Apr. 1	Mar. 19
Dom. Found. & Steel pfd.	...	$1.50	Mar. 1	Feb. 25
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Dominion Tar & Ch. pfd.	6½%	1⅝%	May 1	Apr. 6
East Koot. Pr., pref.	$7.00	$1.75	Mar. 15	Feb. 29
Famous Players	$2	50c	Mar. 26	Mar. 4
Hamilton Un. Theatres pfd.	7%	1¾%	Mar. 31	Feb. 29
Huron & Erie Mtge.	$8	$2	Apr. 1	Mar. 15
Inter. Petroleum (coupon 32)	$1	25c	Mar. 15	Feb. 29
Do., pref.	$1	25c	Mar. 15	Feb. 29
Imperial Tobacco,	35c	8¾c	Mar. 31	Mar. 2
Do., final	...	17½c	Mar. 31	Mar. 2
Do., pref.	6%	3%	Mar. 31	Mar. 2
Inter. Proprietries "A"	$2.60	65c	Mar. 15	Feb. 15
Lake Shore Mines	$2	50c	Mar. 15	Mar. 1
Landed Banking & Loan	8%	2%	Apr. 1	Mar. 15
Mitchell, J. S., pref.	7%	1¾%	Apr. 1	Mar. 16
McColl-Frontenac, pfd.	$6	$1.50	Apr. 15	Mar. 31
Montreal Loan & Mtge.	12+1%	3+1%	Mar. 15	Feb. 29
McColl Fron., c.	60c	15c	Mar. 15	Feb. 15
Montreal Cottons	$6	$1.50	Mar. 15	Feb. 29
Do., pref.	$7	$1.75	Mar. 15	Feb. 29
Montreal C. & D. Bank	$12	$3	Apr. 1	Mar. 15
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$1.75	44c	Apr. 1	Mar. 15
Nat. Sewer Pipe c. "A"	$2.40	60c	Mar. 15	Feb. 29
Do., com.	$2	50c	Mar. 15	Feb. 29
Nor. Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
N. S. Light & Pr. ord.	$4	$1	Apr. 1	Mar. 19
Ontario Loan & Deb.	$6	$1.50	Apr. 1	Mar. 15
Page Hersey	$5	$1.25	Apr. 1	Mar. 19
Do., pref.	$7	$1.75	Apr. 1	Mar. 19
Pioneer Gold of B. C.	12c	3c	Apr. 1	Mar. 15
Power Corp. pref	$6	$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	$3	75c	Apr. 15	Mar. 31
Reliance Grain, pref.	6½%	1⅝%	Mar. 15	Feb. 29
Sherwin-Williams, pfd.	7%	1¾%	Mar. 31	Mar. 15
Siscoe Gold Mines	...	4c	Mar. 31	Mar. 21
Standard Steel, pref. "A"	$3	75c	Apr. 1	Mar. 15
Southern Can. Power, pfd.	$6	$1.50	Apr. 15	Mar. 19
Sovereign Fin. & D. pfd.	80c	20c	Mar. 15	....
Steel of Canada	$1.75	43¾c	May 2	Apr. 7
Do., pref.	$1.75	43¾c	May 2	Apr. 7
United Amusement A & B c.	$2	50c	Mar. 15	Feb. 29
Walker, Hiram	25c	6¼c	Mar. 15	Feb. 22
West. Can. Flour pref.	6½%	1⅝%	Mar. 15	Feb. 29
Wright Hargreaves	10c	2½c	Apr. 1	Mar. 10

Dividends Passed or Deferred:

Canada Wire & Cable, Class "B" Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

David & Frere "A" com. Mar. 15 passed. Last paid 25c. Dec. 15, 1931.

International Nickel, com., Mar. 31 passed. Last paid 5c. Dec. 31, 1931.

Union Gas, com., Mar. 10 passed. Last paid 25c. Dec. 10, 1931.

Anglo-Nor. Holding, c. Mar. 24, passed. Last paid 25c. Mar. 24, 1931.

Cooksville Co. pref. Mar. 15, passed. Last paid $1 Dec. 15, 1931.

Quebec Power, April 15, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Shawinigan W. & Pr. April 10, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Sherwin-Williams com. Mar. 31, passed. Last paid 40c. Dec. 31, 1931.

Can. Inter. Invest. pfd. Mar. 1 deferred. Last payment $1.25 Dec. 1, 1931.

Inter-City Baking c. Feb. 29, no action taken.

Extra Dividends:

Montreal Loan & Mortgage 1% March 15.

Imperial Tobacco, com. final div., 17½c. Mar. 31.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

March 1, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.22	.42
Acadia Sugar pfd.	1.30	2.75
Acme Farmers Dairy pfd.	65.00	76.00
Allens Coll. pfd.	29.00	....
Allens Lond. pfd.	29.00	....
Andian N. Corp.	20.00	24.00
B. C. Pulp & Paper c.	....	3.00
B. C. Pulp & Paper 7% pfd.	15.00	....
Can. & Dom. Sugar c.	16.00	18.00
Can. Biscuit pfd.	....	8.75
Can. Machinery c.	4.00	6.00
Can. Machinery 7% pfd.	21.00	31.00
Can. Packers 7% pfd.	75.00	82.00
Can. Packers c.	12.00	14.00
Can. Starch pfd.	65.00	80.00
Can. Tea pfd.	55.00	....
Can. Wire & Cable pfd. W.W.	83.00	88.00
Can. Celanese pfd.	50.00	....
Can. Indus. c. 'A'	78.00	....
Do., "B"	77.00	82.00
Do., 7% pfd.	101.00	110.00
Can. West'house.	50.00	55.00
Chase, A. W. Units	32.00	36.00
Cons. Oka Sand & Gravel pfd.	48.00	....
Copeland Flour 6% pfd.	....	10.00
Dairy Corp. pfd.	....	38.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	1.00	....
Dom. Foundries & Steel pfd.	57.00	....
Dom. Foundries & Steel com.	6.00	8.50
Dom. Manuf. pfd.	70.00	....
Dunlop Tire 7% pfd.	38.00	56.00
East. Car 6% pf.	43.00	....
Fed. Grain pfd.	22.00	28.00
Goderich Elevator & Transit	14.50	16.50
Greening Wire 7% pfd.	81.00	88.00
Guard. Realty pf.	30.00	40.00
Guelph Carpet pf.	69.00	77.00
Hard. Carpet pfd.	....	50.00
Inter City Baking com.	35.00	45.00
Internat. Prop. A	22.00	24.75
Loew's London c.	.50	2.00
Loew's Lond. pfd.	3.50	5.25
M. & P. Stores pf.	....	90.00
Massey-Harris pf.	11.00	14.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	1.00	....
Mount Royal Htl. com.	1.50	2.75
Mount Royal Htl. 6% pfd.	11.00	16.00
Nat. Grocers c.	.75	1.50
Nat. Grocers 2nd 7% pfd.	36.00	46.00
Para. Oshawa c.	8.50	....
Prov. Paper pfd.	50.00	60.00
Rolland Paper pfd. W.W.	36.00	45.00
Standard Clay Products c.	9.00	16.00
Standard Fuel pfd. bonus	53.00	60.00
Supertest Petrol. "B" pfd.	16.00	....
Toronto Brick pf.	36.00	60.00
Tor. Carpet c.	115.00	....
Tor. Carp. 8% pf.	95.00	....
Tor. Elev. 7% pf.	65.00	75.00
Tor. Housing c.	20.00	29.00
United Amuse. A	15.00	....
West. Grain pfd.	14.50	21.50
Willards Choc. pfd.	20.00	35.00
Insurance Stocks:		
Br. Amer. Assce.	27.50	....
Can. Life Assce.	440.00	525.00
Can. Nat'l Fire	17.50	27.00
Can. Fire Ins.	75.00	88.00

	Bid	Asked
Capital Life 20% pd.	10.00	20.00
Confederation Life 20% pd.	150.00	185.00
Continental Life 20% pd.	58.00	67.00
Crown Life Ins.	90.00	....
Dominion Fire	90.00	130.00
Dominion Life 20% pd.	280.00	375.00
Dom. of Can. Gen. Ins.	180.00	225.00
Excelsior Life 30% pd.	90.00	120.00
Fidelity Insur. of Canada	....	70.00
Great West Life	290.00	335.00
Guarantee Co. of N. A.	250.00	....
Halifax Fire	11.00	16.00
Imperial Life	310.00	375.00
Manufac. Life	265.00	300.00
Monarch Life 10% pd.	20.25	29.00
National Life 25% pd.	110.00	125.00
Saskatchewan Life 10% pd.	....	17.00
Sovereign Life 25% pd.	21.00	29.00
Sun Life Assur.	440.00	525.00
West. Assur. Co.	20.00	25.00
Western Life 20% pd.	8.00	15.00
Trust & Loan Stocks:		
Brit Mtge. & T.	170.00	....
Can. Gen. Invest. Ltd.	5.50	6.50
Chartered Trust	85.00	95.00
Debenture & Sec. com.	....	35.00
Debenture & Sec. pfd.	....	49.00
Eastern Can. Sav. & Loan	116.00	130.00
Eastern Trust	145.00	176.00
Guelph & Ont. Inv. par $50	50.00	64.00
Investment Found. Units	21.00	25.00
Lambton Loan & Savings	68.00	80.00
London & West. Trust	98.50	108.00
Midland Loan & Savings	16.00	....
Mtge. Disct. pfd.	....	4.25
Mutual Fin. pfd.	3.00	4.75
Mutual Fin. com.	....	4.25
Premier Trust	70.00	....
Sherbrooke Tr.	115.00	....
Security Loan & Savings	100.00	120.00
Sterling Trust	....	90.00
Traders Fin. pfd.	31.00	40.00
Traders Fin. com.	....	3.75
Trusts & Guar.	63.00	73.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	120.00	135.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	93.00	95.50
Calgary Pwr. pfd.	67.00	72.00
Can. Light & Power c.	20.00	25.00
Can. West. Nat. Gas LH&P c.	16.00	22.00
Can. West. Nat. Gas LH&P pfd.	67.00	71.00
Great Lakes Pwr. pfd.	....	79.00
N.B. Pwr. 1st pf.	49.00	61.00
N.B. Telephone c.	9.00	11.00
N.S. L&P pfd.	70.00	82.00
Ottawa LH&P 6½% pfd.	89.00	98.00
Recent London Quotations:		
Brewer Distillers		2s. 4½d.
Can. & For. Sec.		3s. 9d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		19s. 6d.
Do., 5% pfd.		52s. 6d.
Internat. Holdings		21%
Nfld. Pr. & Pap. deb. stock 'B'		75
Trust & Loan of Can. (15s. pd.)		5s.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd.,
Canada Permanent Bldg., Toronto, Ont.

February 29

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 April	77.85	6.20
Alberta	5	1 July, 1943	1 July	89.10	6.35
Alberta	6	1 Apr., 1936	1 April	98.10	6.50
*British Columbia	4½	1 Oct., 1953	1 April	81.80	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.60	6.00
British Columbia	6	15 Feb., 1947	15 Feb.	96½	6.35
Manitoba	4	1 July, 1947	1 July	78.70	6.15
*Manitoba	5	2 Dec., 1959	2 June	84.70	6.15
Manitoba	4½	1 Oct., 1940	1 April	88.10	6.25
*New Brunswick	4	1 June, 1948	1 June	84.35	5.45
*New Brunswick	4½	15 June, 1936	15 June	97.25	5.45
New Brunswick	6	1 Jan., 1936	1 July	101.05	5.70
*Nova Scotia	4½	15 Nov., 1948	15 May	89.55	5.45
Nova Scotia	5	1 May, 1943	1 May	94.15	5.70
*Nova Scotia	6	1 Nov., 1936	1 May	101.10	5.75
*Ontario	4½	1 Sept., 1944	1 Mar.	94.00	5.15
Ontario	5	15 Oct., 1948	15 April	95.50	5.45
Ontario	6	2 May, 1936	2 May	100.75	5.80
P. E. I.	4	1 Apr., 1939	1 April	89.45	5.75
P. E. I.	4½	1 Oct., 1944	1 April	88.65	5.75
*Quebec	4½	1 May, 1961	1 May	87.10	5.10
Saskatchewan	4½	1 Oct., 1944	1 April	82.65	6.50
Saskatchewan	5	1 Oct., 1950	1 April	86.20	6.25
Saskatchewan	6	1 Feb., 1936	1 Aug.	97.40	6.75
Cities					
*Montreal	5	1 Sep., 1968	1 Mar.	92.50	5.50
*Toronto	4½	1 Jan., 1955	1 July	87.05	5.50
*Vancouver	5	15 Jan., 1970	15 July	83.80	6.10
Winnipeg	5	1 Mar., 1944	1 Mar.	88.85	6.30
*Edmonton	5½	1 Apr., 1947	1 April	85.95	7.00
Calgary	5	1 Jan., 1943	1 July	84.85	7.00
Halifax	6	1 July, 1951	1 July	98.85	6.10
Saint John	5	15 Dec., 1950	15 June	87.75	6.10
Regina	4½	1 July, 1950	1 July	74.30	7.00
Victoria	5	21 July, 1945	21 July	88.70	6.25
Quebec	5	1 June, 1948	1 June	93.10	5.65

*New York payment.

Stocks With Minimum Prices

Atlantic Sugar, com.	18½
Calgary Power	125
Can. Nor. Power, c.	16½
Can. Bronze	16
Do., pref.	90
Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Can. Celanese, pref. 7%	60
Can. Converters	25
Can. Cotton	40
Can. Hyd.-Elec. pfd.	60
Dominion Bridge	27
Dominion Coal, pfd.	20
Dom. Glass, com.	75
East. Dairies	16
East. Steel, com.	15
Do., pref.	97
Gurd & Co.	19
Hillcrest Coll., pfd.	80
Inter. Power, pref. 1st	57
Jamaica Pub. Ser.	40
Do., pref.	100
Mitchell, J. S.	30
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
Ogilvie Milling	185
Ottawa L. H. & Pr.	104
Penmans, com.	30
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Quebec Power	29

Shawinigan Power	33
Simons & Sons	13
Do., pref.	85
Viau Biscuit, pfd.	75
Weston's, com.	38
Do, pref.	75
Windsor Hotel	10
Do., pref.	72
Winnipeg Electric, pref.	50
Woods Mfg., pref.	40
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	32
Huron & Erie	139
Do., 20% paid	23
Landed Banking	145
National Trust	245
Ontario Loan	114½
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	155½
Bank of Commerce	186
Dominion Bank	189
Imperial Bank	188
Bank of Montreal	215
Bank of N. S.	269
Royal Bank	211
Bank of Toronto	193

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MASSEY-HARRIS LOSS IS LARGER SET-UP BETTER

Company in Adverse Year Greatly Reduced Banking and Other Debts

SALES OFF 50 P. C.

Establishes Large Reserves Against Losses on Collections, Inventories and Exchange

With sales in 1931 approximately one half of those in 1930, Massey-Harris Co. and subsidiary companies had a loss from operations, before interest and appropriations, of $1,523,149 in the year ending November 30, 1931, as compared with a profit of $896,027 in the preceding period, which included sales for 17 months of the Argentine, New Zealand and South African branches. After interest and various appropriations and adjustments the loss for 1931 became $4,507,152 as against a loss of $2,247,440 for the preceding year.

The balance carried forward into the year 1929-1930 was $5,786,338, and this had fallen at the outset of the year under review to a surplus of only $247,387 and at the end to a net deficit of $4,109,766. Comparative details of profit and loss accounts for the last three years are given here:

Consolidated Income and Surplus Account
Years Ended Nov. 30

	1931 $	1930 $
Income from oper.	*1,523,149	896,027
Add: Profit from sale of assets	......	......
Total income	*1,523,149	896,027
Less: Deprec.	767,686	588,214
Int. on borrowings	565,567	512,657
Bond int. & exp.	539,199	573,082
Taxes	......	......
Pension fund	146,032	144,584
Bad & doubt. debts	501,781	996,067
For. exch. & cont.	......	328,863
Net profit	†4,043,414	†2,247,440
Less appropriations:		
7% pref. divds.	......	......
5% pref. divds.	......	604,495
Com. divds.	......	1,637,016
Surplus for year	†4,043,414	†4,488,951
Add: Prev. surplus	247,387	5,786,338
Adj. of assets w/o.	463,738	......
Trans. from fire indemnity fund	150,000	350,000
Trans. from res. for conting.	......	100,000
Less:		
Bond disc. & exp.	......	......
Prem. on 7% pref. redeemed	......	......
Trans. to inven. res.	......	1,500,000
Bal. carried forward	‡4,109,765	247,387

†Deficit.
*Loss.
‡Debit.

Current Ratio is Higher

As none had expected anything but a heavy loss in a period so disastrous to the purchasing power of wheat farmers in nearly every country of the world, chief interest in the latest financial statement will centre in the items of the balance sheet which show how well the company is bearing up against the difficulties encountered. Actual working capital dropped from $41,047,007 to $32,138,494, but as accounts receivable and inventories were sharply written down by more than $7,000,000 it is evident that values now shown are much closer to present realities than the old figures. The ratio of current assets to current liabilities actually increased from 452 to 479 times during the year as shown by the following table:

Working Capital

	1931 $	1930 $
Current assets	40,612,111	52,711,470
Current liabilities	8,473,616	11,664,463
Working capital	32,138,495	41,047,007
Ratio	4.79—1	4.52—1

Nearly $9,000,000 Abroad

In the statement of November 30, 1930, Australian current assets of $3,445,037 were segregated because of the impossibility of taking money away from Australia under Government orders forbidding the export of capital. These assets are no longer shown separately but the auditors' certificate states that net current assets, including cash, in foreign countries which have placed certain restrictions on the export of funds, aggregate about $8,700,000. These countries with an embargo on the remittance of foreign funds now include Argentina, Australia, Germany and Central European countries.

Company's cash on hand and in bank stands at $1,658,582 as compared with $1,290,387 in Canada and other countries in 1930 and $373,088 in Australia. There are in addition investments in Dominion of Canada and other government and municipal bonds at cost of $237,639 as against $107,530 shown in Australia a year earlier.

Write-offs Are Large

As Massey-Harris' main problem until farmers once more are in the market for machinery must be in the collection of bills and accounts receivable and the sale of inventories of completed implements and machinery, it is of great interest to note that the company shows both those items after taking large reserves off for possible losses. If the current assets could be liquidated at the greatly reduced figures of today the company could pay off twice over its secured bank loans and overdrafts of $6,716,357, its bills and accounts payable of $1,556,286, its accrued taxes of $200,974, its reserve of $1,980,019 for possible losses on foreign exchange and contingencies, its liability of $405,049 to the pension fund, the total outstanding 5 per cent debenture bonds due in 1947 of $9,200,000 and the 5 per cent first mortgage bonds of $610,700 due 1940, assumed from J. I. Case Plow Works, Inc.

Collected Nearly $4,000,000

After deducting a reserve of $3,255,432 the bills and accounts receivable are shown at $22,042,432 whereas last year they consisted of $2,964,419 in Australia and $26,042,167 elsewhere, a difference of $6,964,154 or $3,708,722 if the large reserve write-off is not included in the calculation. The latter amount may indicate roughly the total amount of bills and accounts collected during the year. The present reserve against receivables is about 12½ per cent of the total, not counting more than $2,000,000 of accrued interest which may be considered an additional reserve against the realization of receivables. The total reserve with that method of calculation would be more than 25 per cent.

Another major resource of the company, and one that shows it ready to meet reviving demand from farmers as soon as it comes, is in the total of $16,673,458 for inventories. On November 30, 1930 the total had stood at $21,933,879 after deducting 10 per cent as a reserve against losses. A further reserve of $4,035,236 was deducted in the last year so that amount sold during the year of the old inventory must have been about $1,225,185 in addition to any new goods made and sold. It may be said that the balance sheet shows that an additional contingency provision was made in 1931 of $1,500,000 against possible loss on inventories. Reserves now set up are about 20 per cent of the gross inventory figures.

In the course of the year which ended November 30, 1931, the company was able to reduce its liabilities to the following extent:

	Reduction $	Total Nov. 30/31 $
Bank loans	1,264,129	6,716,357
Payables	1,991,056	1,556,286
5% bonds due 1947	1,000,000	9,200,000
5% 1st mtge. bonds	75,000	60,700

The reduction in bills and accounts payable is in part due to a bookkeeping transaction. In this year's balance sheet cash deposits with United States banks are deducted from the notes under discount with them, whereas in the previous year the gross amount was shown as a liability and the cash deposit as an asset. This made a difference of $471,208, but the net reduction in current liabilities was nevertheless $2,783,977.

CAN. WESTERN NATURAL GAS REDUCED COSTS

Preferred Shares Earned $15.13 Against $17.13 in 1930

The annual statement of Canadian Western Natural Gas, Light, Heat & Power Co. for the year ended Dec. 31, 1931, shows earnings of $15.13 per share on the 35,000 shares of $100 par value 6 per cent stock outstanding as compared with $17.13 per share in 1930, due to increased appropriation for taxes, interest and depreciation. While revenue from sale of gas and from other sources was lower than in 1930, operating expenses were substantially reduced with the result that net earnings available for fixed charges and dividends amounted to $1,033,668 as against $907,210 in 1930. After various provisions for interest, depreciation, taxes, etc., net profit available for dividends was $529,492 as against $599,444 in 1930.

During 1931 the company increased the number of meters by 413 to a total of 23,496. Gas sold showed a decrease of 6.38 per cent from 1930 due, it is stated, to mild weather. The average rate per 1,000 cu. ft. increased to 30.06 cents from 29.90 cents in 1930 and the total revenue from gas sales of $2,017,228 compared with $2,083,261 the previous year. During 1931 the company obtained nearly all its gas from the Turner Valley field which has a daily developed open flow of over 300,000,000 cu. ft. Bow Island field is given over entirely to repressuring with excess gas from Turner Valley and the Foremost field has remained entirely closed during the past year. Exploration work was continued.

The income and surplus account of the company for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Sale of gas	1,952,487	2,083,261
Add: Other inc.	64,741	115,788
Total income	2,017,228	2,199,049
Less: Cost of gas distrib., and adminis. exp.	1,167,947	1,291,839
Net earnings	849,281	907,210
Less: Deb. interest	36,815	38,894
Other interest	17,408	12,632
Depr. & bad debts	35,658	27,446
Amortization	229,918	228,794
Net profits	529,492	599,444
Less appropriations:		
Preference divds.	223,677	234,452
Ordinary divds	360,000	320,000
Trans. to cap. red. reserve fund	70,000	70,000
Surp for year	*124,185	*25,008
Add: Prev. surp.	378,527	403,535
Add: Spec. pref. divds.	248	......
Bal. car. for.	254,590	378,527

* Debit.
† Charged in 1930 but not paid (on shares redeemed).

Since 1928 the company has shown current assets lower than current liabilities and at the end of 1931 this was the case with current assets at $413,159 and current liabilities of $828,206.

SUPERTEST SURPLUS IS OVER $1,200,000

Sales and Earnings in 1931 Are Stated to Be New Record

The annual statement of directors of Supertest Petroleum Corp. indicates an increase in both sales and net earnings during 1931 although, as in previous years, no audited statement or definite figures are submitted to shareholders. No indication is given as to the percentage of increase over 1930 sales which were reported at $3,451,005 or 1930 net earnings which were in excess of $500,000.

Dividends of seven per cent on the 3,500 shares of class A preferred stock of $100 par value, of six per cent on the 8,000 shares of class B preferred stock of $25 par value and of $1 per share on the 110,000 shares of no par value common and ordinary stock were earned and paid and surplus account is stated to be in excess of $1,200,000. It is also stated that the company has no bank loans while assets of the company are now in excess of $4,000,000.

Sale of the company's "Wonder Gasoline" is stated to have been highly satisfactory since it was first placed on the market in October, 1931. On the basis of results in the last four months, it is expected that 1932 sales will exceed previous figures and the company is now planning further increase in facilities for distribution of its products.

P. C. Mulholland Joins Canada Bud Directorate

At the annual meeting of Canada Bud Breweries Ltd., P. C. Mulholland, Toronto, was elected a director of the company in place of J. J. Doran, Sault Ste. Marie. Other directors of the company were all re-elected and the meeting was routine.

Capacity of City Club Breweries Ltd., acquired during 1931, is stated to be 6,000 bbls. per annum or 150,000 Imperial gallons.

Week's Canadian Quotations—Continued

Listed Bond Quotations

Week Ending February 29

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1932 High	Range 1932 Low
Abitibi, 1st mtge.	5	1953	...	44	...	...	46	34½
Asbestos	5	1942	...	65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	6.48	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	†10	...	...	7	7
Do. (Way. Ser.)	5½	1958	...	†6½	...	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.15	95	...	...	98	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†2.00	...	...	*3.25	2.25
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98¾
Mont. Tr. 1st mtge.	5	1941	...	91½	92½	92	92½	92
Mont. Tr. "A"	5	1955	6.70	78¾	...	...	80½	79½
Mont. Tr. G. & R. "B"	5	1955	6.75	78¾	...	...	79½	78¾
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.86	78¾	...	...	78½	78
N. S. Steel	5	1959	...	...	...	...	*62¾	59
Ogilvie Flour "A"	6	1932	6.00	...	...	...	100	...
Do., "B"	6	1932	...	...	...	...	‡100¾	100
Do., "C"	6	1932	6.00	...	...	...	100	...
Ont. Steel	6	1943	5.94	100½	...	...	100½	...
Porto R. Pr.	5	1936	7.95	...	...	...	*93	88
Steel of Can.	6	1940	4.98	102½	...	...	*107½	106¾
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	5.12	†91	...	...	*99½	98¾
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.62	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.57	105.75	....	....	105.75	105.00
Victory Loan	5½	1933	4.80	100.75	100.75	100.50	100.75	100.25
Do.	5½	1934	5.44	100.25	100.15	100.00	100.20	99.25
Do.	5½	1937	4.26	106.00	....	....	105.00	104.00
Do., refund	4½	1940	5.57	92.30	....	....	93.25	91.50
Do., refund	5	1943	5.36	96.35	97.10	97.00	97.10	95.38
Do., refund	4½	1944	5.38	91.25	....	....	91.25	89.50
Do., refund	4½	1946	5.32	91.25	....	....	....	....
Do., renewal	5½	1932	4.38	100.40	100.40	....	100.40	99.87
Conversion Loan	4½	1956	5.23	88.75	90.00	....	90.00	88.25
Do.	4½	1957	5.30	89.00	89.50	....	89.50	....
Do.	4½	1958	5.30	90.00	....	....	91.00	88.50
Do.	4½	1959	5.35	90.00	....	....	90.80	89.00
Nat. Service Loan	5	1936	5.54	97.50	....	....	98.00	96.25
Do.	5	1941	5.40	96.50	96.75	....	97.13	94.90

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Week to March 1

Crop Year from Aug. 14 High	Low		Open Feb. 24	High for week	Low for week	Close Mar. 1
		Wheat				
.76½	.55½	May	.68	.69¾	.66½	.66¾
.77¾	.61½	July	.69¾	.71½	.67¾	.68½
.72¾	.63¾	Oct.	.71½	.72¾	.69¾	.69¾
		Oats				
.38	.28	May	.32½	.33¾	.32¾	.32½
.37½	.31¾	July	.33	.33¾	.32½	.32¾
		Barley				
.47¾	.32½	May	.42½	.43½	.41¾	.41¾
.45½	.38½	July	.41¾	.43	.41	.41¾
.43½	.38½	Oct.	...	.41¾	.40½	.40½
		Flax				
1.21	.97½	May	1.07	1.08½	1.04¾	1.05¾
1.16½	1.00½	July	1.06¾	1.08½	1.04¾	1.05¾
		Rye				
.59½	.32½	May	.47½	.50	.47½	.48¾
.59	.48¾	July	.48¾	.51	.48½	.49¾

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to March 1

High *to date	Low *to date		Close Feb. 23	High for week	Low for week	Close Mar. 1
		Wheat				
.72	.53¾	May	.61½	.62¾	.61½	.61½
.64½	.53¾	July	.62¾	.64½	.62½	.63

*Since trading opened March 3, 1931.

Foreign Exchange

	New York Funds High (Premium) %	New York Funds Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
February 24	13½	13	Par	*1
February 25	13 13-16	13½	1-64	1-128
February 26	13½	13½	1-128	*1-64
February 27	13½	13	Par	*1-128
February 29	13½	12¾	Par	Par
March 1	13½	12¾	Par	*1-128

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
February 24	3.48	3.93 5-8	5.19 3-4
February 25	3.48	3.93 13-16	5.19
February 26	3.48 3-8	3.93 1-2	5.19 1-4
February 27	3.48 1-2	3.93 9-16	5.19 1-4
February 29	3.48 1-4	3.93 3-8	5.19
March 1	3.48 1-2	3.93 1-2	5.18 3-4

FOREIGN EXCHANGE

Par		Feb. 16	Feb. 23	Mar. 1
5.26	Italian	5.96¾	5.87¾	5.86½
23.80	German	27.30¾	26.89¾	26.88¾
13.90	Belgian	16.01	15.74	15.71
49.80	Japanese	41.02	39.60	38.42

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Mining Stock Quotations

(Week Ending March 5)

Par Val.	Range 1932 High	Range 1932 Low	Company	Sales	Close Feb. 22 (or last)	High for week	Low for week	Close Feb. 29
1	.05½	.04	Abana	1,500	.04½	.05	.05	.05
1	.02	.01	Aconda	......	.01	.....	.....	.....
1	*.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.15	.15	Aldermac	100	.15	.15	.15	.15
1	.08½	.04½	Alexandria	10,000	.05	.06½	.04½	.05¾
1	.01½	.00¾	Algonquin	46,000	.01¼	.01½	.01	.01
1	.01	.00½	Amity C.	2,000	.00¾	.00¾	.00½	.00½
No	.22	.16	Amulet	4,116	.16½	.16½	.16	.16
1	.00½	.00½	Apex	......	.00½	.....	.....	.....
1	.01¾	.01	Ares	11,500	.01	.01¾	.01¼	.01¼
1	*.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.03	.01½	Arno	101,900	.01¾	.03	.01¾	.02½
1	.02	.02	Astoria	......	.02	.....	.....	.....
1	*.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.06	.03½	Bagamac	21,500	.05½	.06	.05½	.05¾
1	.00¾	.00½	Baldwin	......	.00½	.....	.....	.....
1	.11	.05½	Barry Hollinger	6,100	.06½	.07	.05½	.06
No	1.00	.80	Base Metals	500	.85	.80	.80	.80
No	*.04	.00¾	Bathurst	......	.03	.....	.....	.....
5s	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.12	.05	Bidgood	18,500	.05½	.05½	.05	.05
1	.16½	.11	Big Missouri	6,380	.12	.13	.11	.11½
1	*.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.05½	.02½	Bobjo	68,500	.05	.05¾	.05	.05½
No	*.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.08	.06½	Brett Trethewey	8,600	.07	.07	.07	.07
No	.03	.02	Brownlee	6,100	.02½	.02½	.02	.02
1	.00¾	.00½	Buckingham	......	.00½	.....	.....	.....
No	.33½	.22½	Buffalo Can.	31,500	.32½	.33½	.32	.32½
No	.02½	.01½	Bunker Hill	2,000	.01	.01½	.01½	.01½
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.03	.03	Canam Metals	......	.03	.....	.....	.....
1	.03½	.01½	Can. Kirkland	1,500	.02	.02	.01¾	.02
1	.09	.04	Canusa	40,100	.08	.08½	.06½	.06½
1	.02½	.00½	Capital Rouyn	12,000	.00½	.00½	.00½	.00½
1	.04½	.02½	Cartier Malartic	......	.03½	.....	.....	.....
1	.15	.13	Castle Trethewey	1,100	.13	.13	.13	.13
1	.08	.06	Cen. Manitoba	1,800	.07	.07½	.07	.07½
1	.07½	.04	Cen. Patricia	2,375	.06	.05	.04	.04
1	*.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.07½	.05	Chibougamau Pros.	2,500	.05	.06	.05	.06
No	.01½	.01	Clericy	1,500	.01½	.01	.01	.01
5	3.00	1.50	Coast Copper	375	2.15	2.10	1.50	1.75
1	.02	.01½	Cobalt Contact	4,500	.01½	.01¾	.01½	.01¾
1	*.02	.00½	Col. Kirkland	......	.00½	.....	.....	.....
1	.08	.05	Columario	3,600	.06	.06	.05½	.06
5	.75	.75	Coniagas	......	.75	.....	.....	.....
No	.40	.32	Coniaurum	......	.35	.....	.....	.....
25	72.00	64.00	Cons. Smelters	620	69.00	70.00	67.00	69.00
1	*.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	*.01	.00½	Corona	......	.00½	.....	.....	.....
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	.10	.07	Dom. Explorers	68,500	.09½	.10	.07	.07
1	*.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	11.00	9.25	Dome Mines	13,405	10.25	11.00	10.25	10.80
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
No	*.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	*.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	*.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.55	1.05	Eldorado	96,417	1.48	1.55	1.31	1.44
No	1.05	.80	Falconbridge	400	.90	.80	.80	.80
1	.04	.02	Federal	500	.03	.03	.03	.03
No	.00½	.00½	Flintoba	3,000	.00½	.00½	.00½	.00½
No	.07	.05	Gem Lake	1,500	.06	.05½	.05	.05
No	*.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.02	.02	Goldale	1,100	.02	.02	.02	.02
10	.11	.10	Goldfield	......	.11	.....	.....	.....
1	.00½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.04	.03½	Goodfish	......	.03½	.....	.....	.....
1	.01	.00½	Graham	......	.00½	.....	.....	.....
1	1.25	.90	Granada	3,375	1.04	1.08	1.00	1.00
1	.22	.09	Groselle	......	.09	.....	.....	.....
No	*.30	.29	Halliwell	......	.29	.....	.....	.....
1	.02½	.01½	Harker	17,000	.02	.02	.02	.02
1	.01½	.01	Hilltop	52,000	.01½	.01½	.01	.01½
5	5.70	4.90	Hollinger	6,116	5.05	5.05	4.90	4.95
1	.36	.30	Howey Gold	8,350	.32	.31	.30	.31
No	2.78	2.10	Hudson Bay	1,320	2.40	2.85	2.21	2.21
No	.20	.20	Huronian	......	.20	.....	.....	.....
No	11.00	8.50	Int. Nickel	8,947	9.00	9.12	8.62	8.75
1	.01¾	.01½	Jackson Manion	41,000	.01½	.01¾	.01½	.01¾
1	.23	.21	Keeley	687	.23	.23	.21	.21
1	.02½	.01	Keora M.	2,000	.01½	.01½	.01½	.01½
1	.70	.45	Kirk. Hud. Bay	1,000	.45	.45	.45	.45
1	.02½	.00¾	Kirk. Hunton	2,000	.00¾	.01	.00¾	.01
1	.55	.42	Kirkland Lake	6,100	.45	.45	.42	.43
1	.03½	.01½	Kirk. Premier	5,000	.01½	.01½	.01½	.01½
1	.13	.08	Kirk. Townsite	18,500	.09	.09	.08	.08
20c	.01½	.00½	Koot. Florence	9,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.15	.15	Lakeland	500	.15	.15	.15	.15
1	29.10	27.75	Lake Shore	1,735	28.35	28.35	27.75	27.85
1	.00½	.00½	Laval	......	.00½	.....	.....	.....
1	.02½	.01½	Lebel Oro	2,500	.02½	.02½	.02½	.02½
No	*.35	.35	Locarno	......	.35	.....	.....	.....
1	.40	.29½	Macassa	21,200	.33	.35	.31	.34
1	.05	.03	Malartic	4,500	.03½	.03½	.03	.03½
No	.05	.04½	Mandy	1,100	.04½	.05	.05	.05
No	.01½	.00½	Manitoba Basin	3,500	.01	.01	.00½	.00½
1	.35	.30	McKinley	......	.30	.....	.....	.....
5	19.50	16.50	McIntyre	1,295	17.05	17.35	16.50	16.75
No	.09½	.03¾	McLeod River	231,500	.07½	.07½	.06½	.07½
1	*.04	.04	McVittie	......	.04	.....	.....	.....
1	*.20	.03	MacMillan	......	.10	.....	.....	.....
No	1.43	.85	Mining Corp.	2,000	1.05	1.12	1.05	1.05
1	.08½	.03¾	Moffatt Hall	132,200	.04	.04½	.03¾	.03¾
1	.02½	.02½	Moneta	1,000	.02½	.02½	.02½	.02½
1	*.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.40	.30	Moss	3,900	.39½	.40	.34	.34
1	.02½	.01½	Murphy	6,000	.01½	.01½	.01½	.01½
No	.03	.02	Newbec	8,000	.02½	.02½	.02	.02
1	*.40	.25	Nevada	......	.25	.....	.....	.....
1	*.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.15	.85	Nipissing	1,725	.94	.94	.85	.85
No	17.50	15.00	Noranda	5,399	16.35	16.45	15.65	15.75
No	.24	.17	Nor. Canada	1,000	.20	.20	.20	.20
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	*.01	.00½	Ophir	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole	......	.02	.....	.....	.....
1	.08	.05	Osisko	400	.06	.06	.05	.06
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.11½	.....	.....	.....
1	.02	.01½	Pawnee Kirk	......	.01½	.....	.....	.....
No	1.15	.85	Pend Oreille	900	1.00	1.00	1.00	1.00
1	.01	.00½	Pete. Cobalt	......	.00¾	.....	.....	.....
	*.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	*.01½	.00¾	Picard	......	.00½	.....	.....	.....
1	3.86	3.10	Pioneer Gold, B.C.	400	3.45	3.40	3.35	3.35
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	*.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.01	Potter Doal	5,000	.01½	.02	.01½	.02
1	*.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.63	.57	Premier Gold	1,200	.60	.60	.57	.58
1	.00¾	.00¾	Preston E. Dome	......	.00¾	.....	.....	.....
No	.15	.15	Prospectors Air's	1,000	.15	.15	.15	.15
No	1.00	1.00	Quebec Pros.	320	.....	1.00	1.00	1.00
No	.06	.04	Quemont	......	.05	.....	.....	.....
1	.02½	.01	Ribago	51,300	.02	.02½	.01½	.02
1	*.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.02½	.01½	Ritchie	5,500	.01½	.01½	.01½	.01½
1	.01½	.00¾	Robb Montbray	......	.00¾	.....	.....	.....
1	.36	.25	Rubec	......	.30	.....	.....	.....
1	.36	.25	San Antonio	2,159	.30	.33	.33	.33
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.49	Sherritt Gordon	10,276	.52	.53	.50	.50
1	.62½	.50	Siscoe	63,775	.60	.61½	.59½	.60½
1	.03	.01½	South Keora	2,000	.02½	.02	.02	.02
No	.02½	.01½	Stadacona	16,000	.01½	.01½	.01½	.01½
1	.17	.07½	St. Anthony	1,000	.14	.13½	.10	.10
No	.45	.35	Sudbury Basin	1,800	.37	.36	.35	.35
1	.01½	.00½	Sudbury Contact	......	.01½	.....	.....	.....
1	.01	.00½	Sudbury Mines	8,500	.00¾	.01	.00¾	.00¾
No	*.04½	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.10	.09	Sullivan	4,700	.09½	.10	.10	.10
1	.65	.52½	Sylvanite	3,600	.55½	.56	.53	.55
1	.07	.03	Tashota	36,600	.04	.04	.03	.03
1	5.25	4.20	Teck Hughes	12,356	4.35	4.40	4.20	4.25
1	*.10½	.01	Telluride	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.03	.02	Thom. Cadillac	......	.03	.....	.....	.....
1	*.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.40	.25	Towagmac	100	.25½	.25	.25	.25
No	1.39	1.01	Treadwell	110	1.25	1.39	1.25	1.25
No	*2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.09½	.05	United Kirkland	......	.05	.....	.....	.....
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.42½	Ventures	14,100	.45	.45	.42½	.43
1	.17½	.14	Vickers	......	.15	.....	.....	.....
1	.45	.30	Vipond	5,600	.35	.37	.34	.34
No	1.00	.50	Waite Ackerman	1,850	.80	.65	.50	.50
1	*.02½	.01	West Tree	......	.01	.....	.....	.....
1	.04	.03	White Lake	......	.03½	.....	.....	.....
1	*.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	*.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	*.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.06	2.55	Wright-Hargreaves	11,291	2.69	2.72	2.55	2.55
			WESTERN OIL STOCKS					
1	.19	.13	Acme	13,300	.14½	.14½	.13	.13
1	1.17	.90	Ajax	5,450	1.03	1.05	1.01	1.02
1	.12	.05	Alta. Pacific	3,130	.06	.09	.05	.06
1	.03½	.02	Askalta	900	.03	.03½	.03	.03
No	.10	.04½	Associated	1,050	.07	.06	.05	.05
No	.04	.02	Baltac	......	.02	.....	.....	.....
	.05¾	.00½	Benton	20,615	.05¾	.05½	.01	.01½
1	*.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	......	.04½	.....	.....	.....
No	.38	.30	Calgary & Ed.	1,120	.30½	.32	.30	.30
1	.09	.05	Calmont	......	.05	.....	.....	.....
1	.11	.07½	Comm. Pete	......	.11	.....	.....	.....
No	*.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.20	.15	Dalhousie	725	.19½	.20	.18	.18
No	*.08	.01	Devenish	......	.01½	.....	.....	.....
No	.02	.01	Dome Oil	7,000	.01½	.01½	.01	.01
No	.12	.04	East Crest	200	.11	.10½	.10½	.10½
No	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	*.60	.05	Foothills	......	.08	.....	.....	.....
No	.03½	.03	Freehold	......	.03½	.....	.....	.....
1	.02	.02	Great West	......	.02	.....	.....	.....
No	.05	.04	Hargal	......	.05	.....	.....	.....
No	*.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.05	.04	High Sarcee	......	.04½	.....	.....	.....
No	.47	.25	Home	4,005	.30	.30	.25	.25
No	.05	.03	Homestead	......	.03½	.....	.....	.....
1	.48	.24	Homest'd O. & G.	4,500	.30	.40	.30	.35
1	.01	.00½	Illinois Alta.	4,150	.00¾	.00½	.00¾	.00¾
No	.02½	.00½	Lethbridge Pete.	1,400	.02½	.02½	.00¾	.00¾
No	*.70	.10½	Lowery	......	.18	.....	.....	.....
1	.02	.01	Madison	3,500	.01½	.01½	.01½	.01½
1	.15	.14	Mayland	......	.15	.....	.....	.....
No	.04	.03½	McD. Segur Ex.	......	.03½	.....	.....	.....
1	.04½	.03½	McD. Segur N.	......	.03½	.....	.....	.....
1	.50	.32	McLeod	50	.32	.37	.37	.37
No	.10½	.08	Mercury	7,500	.09½	.09½	.08½	.08½
No	.08	.05	Merland	800	.06	.06	.06	.06
No	.12	.10	Mill City Pete	......	.11	.....	.....	.....
1	.18	.16½	Model	500	.17½	.18	.18	.18
1	.04	.04	Monalta	......	.04	.....	.....	.....
1	.07	.04½	Moose Mountain	......	.04½	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.07	Nordon	22,100	.09½	.10	.07	.07½
No	.04½	.03	Oil Selection	5,500	.03½	.03½	.03½	.03½
No	.05	.04	Okalta	......	.04	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	1,750	.13	.14	.12	.12
No	.06½	.02	Penn. Pete	40,300	.04½	.04¾	.04	.04½
1	.28	.17	Petrol	2,200	.17	.18	.17	.17
No	.14	.09	Ranchmen's	1,250	.10	.11	.10	.10
1	.01	.01	Regent	......	.01	.....	.....	.....
No	.02½	.01½	Richfield	100	.01½	.02	.02	.02
No	6.65	6.00	Royalite	50	6.50	6.40	6.25	6.25
1	.10	.05	Sarnia Oil	500	.05	.06	.06	.06
1	.03	.01½	Signal Hill	500	.02	.02½	.02½	.02½
No	*.27	.05	South West Pete	......	.10	.....	.....	.....
1	.20	.17	Spooner	325	.18	.17½	.17	.17
No	.11	.06	Sterling Pacific	......	.06	.....	.....	.....
1	.11	.11	Turner Valley	......	.11	.....	.....	.....
No	.08	.07	United	1,100	.07½	.07½	.07	.07
1	.09½	.09	Vulcan	......	.09½	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
1	*.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to February 24)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.04½	.03½	Beaver Silver	2,200	.04	.04	.03½	.04
25c	.02½	.02	Bluebird	......	.02	.....	.....	.....
1	.12½	.08½	Bridge River Cons.	4,800	.09	.09½	.08½	.08½
1	*.80	.40	B. C. Silver	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.08	.06	Cotton Belt	......	.08	.....	.....	.....
1	*.03	.02	Dalhousie Mines	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell	......	.02	.....	.....	.....
1	*.10	.02	Duthie	......	.02½	.....	.....	.....
1	.45	.45	George Copper	......	.45	.....	.....	.....
50c	.01½	.01½	Geo. Enterprise	......	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	13,200	.02½	.03	.02½	.02¾
1	.24	.21	Golconda	200	.22	.21½	.21½	.21½
50c	.08	.06	Grandview	5,000	.06	.06½	.06½	.06½
25c	5.25	5.25	Hecla Mining	200	....	5.25	5.25	5.25
No	*27.50	15.00	Howe Sound	......	21.25	.....	.....	.....
1	.11	.09	Intern. Coal	......	.11	.....	.....	.....
1	.01	.01	Independence	5,000	.01½	.01	.01	.01
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	*.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	46,300	.15	.15½	.14½	.14½
1	*.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	......	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold	......	.01	.....	.....	.....
5c	.10	.08	Metaline Metals	1,000	.10	.10	.10	.10
1	.03	.01½	Morton Woosley	1,000	.01½	.01½	.01½	.01½
50c	.03	.02½	National Silver	9,000	.02½	.02½	.02½	.02½
50c	.08½	.04½	Noble Five	29,850	.06	.06	.04½	.04½
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	3.85	3.30	Pioneer Gold	1,250	3.45	3.50	3.40	3.40
No	.01	.00¾	Premier Border	......	.00¾	.....	.....	.....
50c	.08½	.05½	Porter Idaho	6,500	.05½	.06	.06	.06
No	.28	.20	Reeves McDonald	300	.25	.20	.20	.20
1	.27½	.22½	Reno Gold	12,550	.24	.27	.25½	.27
1	*.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02½	Silverado	......	.03½	.....	.....	.....
25c	.02	.01½	Silver Crest	......	.01½	.....	.....	.....
50c	.01½	.01	Snowflake	2,000	.01½	.01	.01	.01
1	*.45	.25	Sunloch	......	.25	.....	.....	.....
50c	*.02	.01	Topley Rich	......	.02	.....	.....	.....
5	*.20	.05	Toric	......	.05	.....	.....	.....
20c	.02½	.01	Wellington	1,000	.02	.01	.01	.01
1	*.08	.02	Whitewater	......	.05	.....	.....	.....
No	.00¾	.00½	Woodbine	4,000	.00½	.00½	.00½	.00½

*Quotations for 1931.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.62	Model Oils	9c.	....
Dome Mines	$1	9.25	Noranda	50c.	3.17
Granby	50c.	....	Premier	12c.	....
Hollinger	65c.+5	14.14	Pioneer, B.C.	12c.	3.58
Howe Sound	$2	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.97	Sylvanite	4c.	....
McIntyre	$1	5.97	Teck Hughes	60c.+5	15.28
McLeod Oils	5c.	....	Wright-Har.	10+2½c.	4.84

a. Stock bonus 1 share for each 20 shares held.

NATIONAL BRICK FAILS TO MEET BOND INTEREST

Marks Another Chapter in Poor Corporate Record

From Our Own Correspondent

MONTREAL.—National Brick Co. of Laprairie has defaulted on its bond interest payable March 1, 1932. At the close of the fiscal year ended February 28, 1931, there were outstanding $1,600,000 of 6 per cent first mortgage bonds issued in 1929.

A protective committee has been formed comprising W. G. Hanson, C. V. Heward and A. C. Stead. This committee is asking for a deposit of bonds so that it may have a majority sufficient to carry out its plants, which, as yet, have not been disclosed.

Earnings of the company have been affected by restricted activity in the building trades. In the year ended February 28, 1931, it was stated that the company had been affected by large importations of American brick and also by old brick which had been thrown on the market owing to railway terminal developments. The latter referred to the large scale wrecking operations which attended initial developments in connection with the Canadian National Railway terminal scheme in Montreal.

President of the company is Hon. C. C. Ballantyne. Hanson Bros., Montreal, sponsored the last bond issue.

Loblaw Sales Show Continued Decline

Sales by Loblaw Groceterias Co. in the four weeks ended February 6 are reported at $1,153,320, 9.4 per cent below the volume of the corresponding period of 1931, while profits at $82,382, were down $14,444, a decrease of 14.9 per cent. The drop in dollar volume of sales is the smallest in any period since the first of the current fiscal year which ends May 30. The decrease in profit, however, is higher than has been the case in recent months when compared with the same periods of the previous year.

In the 36 weeks ended February 6, sales of the company amounted to $10,497,037 as against $11,838,426 in the same period of the previous year, a drop of 11.3 per cent. Profit at $693,345, dropped 6.34 per cent from $740,249.

Bruce Campbell Joins A. McKim Advertising

A. McKim Limited, advertising agency, announces the association with their firm of Bruce Campbell, since 1929 advertising manager of the Toronto Evening Telegram.

Mr. Campbell was for a number of years advertising promotion manager of the Winnipeg Free Press and its associated publications in Western Canada. Mr. Campbell will be located at the Toronto offices of the agency.

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Tenders for Capital Stock of The Consumers' Gas Company of Toronto

$1,250,000

12,500 Shares - Par Value $100 each

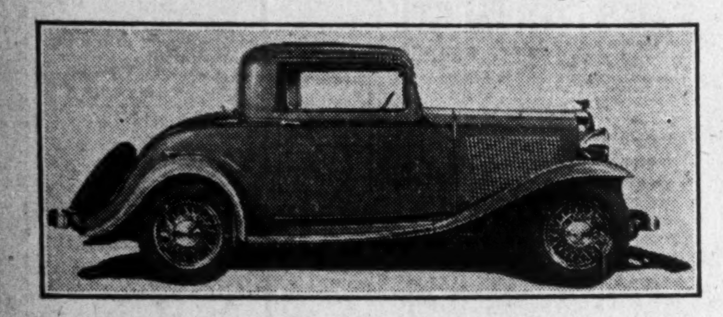
Sealed tenders, addressed to the Consumers' Gas Company of Toronto, 19 Toronto Street, Toronto, Ont., and marked "Tender for Capital Stock," will be received by the Consumers' Gas Company of Toronto until 12 o'clock noon of the 17th day of March, 1932, for the purchase, in lots of any desired number of shares, of Twelve Thousand Five Hundred (12,500) shares of the unissued capital stock of the said Company (each share having a par value of $100.00), subject to certain conditions and terms of sale, the particulars of which, together with the form of tender to be used, may be had on application at the office of the Company at the above address.

Dated at Toronto, this 15th day of February, 1932.

By order of the Board of Directors.

ARTHUR HEWITT,
General Manager.

The New Rockne Six "65" Coupé



Mounted on a wheelbase of 110 inches, this new Studebaker product sells at $975 f. o. b. Walkerville factory, taxes, bumpers and spare tires extra. Freewheeling, synchronized gear-shift, switch-key starting and hydraulic shock absorbers are included as standard equipment. An air-foil apron conceals the gasoline tank at the rear.

500,000 AUTOS ARE NOW BEYOND FIVE YEAR MARK

Analysis By The Post Reveals Potential Market, 1932, 170,000 Cars

While statistics on the Canadian automobile industry, which are available since 1917, show that throughout the 15-year period production was only lower than the 1931 figure of 82,614 vehicles on two occasions—82,408 in 1918 and 66,246 in 1922—manufacturers have good mathematical grounds for anticipating better times within the next year if general business conditions are not materially worse in 1932 than they were in 1931.

Thus analysis of the situation made by The Financial Post discloses that 158,000 motor vehicles will be from four to five years old during the present year. Another 210,000 vehicles will be from three to four years old and 205,000 from two to three years old, on the same basis. These figures represent the apparent consumption in Canada for years 1927, 1928 and 1929, and are deduced by adding imports to production and subtracting exports, for each year, this representing purchases in Canada.

It is estimated that the average new car buyer in normal times replaces his car about every three years, and some indication of the extent to which replacements have been delayed may be gained from the fact that production of new cars and trucks have dropped from the peak of 263,129 in 1929 to 154,000 in 1930 and to under 83,000 in 1931.

Market Gauged

The total number of vehicles being operated which are five years old and over affords an even more valuable index to the possibilities of the industry in Canada during 1932. Registrations recorded during 1931 probably numbered around 1,250,000—the latest official figures available are for 1930 when the total, including cars, trucks and motorcycles was 1,239,888. If the purchases of new cars during the last five years (as indicated by the apparent consumption) be deducted from the 1931 registrations the number of vehicles on the road which were bought prior to 1927 is obtained. These will be at least five years old. The apparent consumption figures so totalled add up to 782,360, according to official statistics. The difference is about 469,000, and of this number many will be celebrating their sixth birthday during the early months of the present year.

On the hypothesis that one-third of this number have reached the stage where upkeep and operation are prohibitive—especially when reference is made to the new values being offered—there is a potential immediately domestic replacement market of around 160,000 vehicles. In addition, there is a percentage to be added for raw buyers and exports. In 1931 exports numbered over 12,000 units; in 1930 they were 44,000 and in 1929, 94,000. Allowing for only 10,000 cars sold other than as replacements in the domestic market, it would appear that the automotive industry could justifiably expect a demand for 170,000 cars this year. This is a mathematical condition highly favorable to the industry viewed in the light of the fact that the apparent consumption of cars in 1931 was less than 79,000

Blue Retains Lead As Popular Color

Despite the kaleidoscopic range of colors to be seen in the National Motor Show among the representatives of the 1932 models, it appears that blue continues to hold first place for popularity in the automobile field.

While under the denomination "blue" must be included a multiplicity of shades, such as serge, bluebell, manganese blue, and the new grayish Poiret dark blue, the Duco index for January knows these only as "blue," and records its continued ascendancy, despite a slight deflection from last month's upward course.

Ford Knows Sales Value Of Suspense

Ford is proving to be a master of the art of "suspense." It is apparently one of the most effective of his advertising bag-of-tricks.

Hopes were running high for a time that visitors to the National Motor Show would be able to satisfy their curiosity in regard to the new Ford Eight, but it appears now that no models will be available and the curious will have to bide their time and examine these cars when they arrive in the dealer's showroom. When that will be even the dealers themselves do not know—although March 15 has been suggested as the probable date.

A canvass made by The Financial Post reveals that Canadian dealers have been inundated with enquiries concerning the new Eight, but they claim that few actual orders have been placed so far owing to the impossibility of determining trade-in values on owners' present cars in the absence of any data concerning Ford's new price and terms. Such "blind" orders as have been placed take the form more of a provisional waiting-list to ensure early delivery should terms be satisfactory and the car come up to expectations.

HUDSON-ESSEX HAVE NEW STYLE AND MORE POWER

Hudson Motor Car Co., which recently commenced production at its Canadian plant in Tilbury, Ontario, is offering two new lines of cars for 1932, a Hudson 8 in three wheelbase lengths and a new Essex 6. The Hudson Standard series is offered in six models priced from $1,470 for the business coupé up to $1,615 for the special coupé. The two sedans composing the Sterling series are priced at $1,865 and $1,895, while the four models of the Major series start at $2,095 for the touring sedan and range up to $2,325 for the seven-passenger sedan. These prices are quoted f.o.b. Tillbury, taxes extra.

It is claimed that 14 h.p. has been added to the Hudson Greater 8 engine, while other important developments in the new Hudson include silent second synchro-mesh transmission combined with free-wheeling, Startix automatic ignition switch, dash operated ride control, and improved torsional vibration damper.

Prices on the seven models of the new Essex line range from $995 to $1,165, the former being for the coach and the latter the special sedan.

Silent second synchro-mesh transmission, free-wheeling, and automatic switch starting is embodied in all Essex models as well as in the Hudson, and dash controlled shock absorbers are also fitted as standard equipment.

The horsepower of the new super-six Essex engine has been stepped up 10 h.p. through the use of a special combustion chamber and improvements in the carburetion system. Another feature is a new automatic mixture control whereby the choke is regulated as the engine warms up.

GRAHAM PRESENTS 'BLUE STREAK'-8 IN $1,500 CLASS

Interest in the new Graham-Paige line centres around the "Blue Streak" Eight, although there is also a new Six with numerous improvements in body and accessories.

The exhibit of this make includes sedans, rumble-seat coupé, and convertible coupé. The "Blue Streak" standard coupé, with and without rumble seat, sells in Canada at $1,495, and $1,565 respectively. The sedan will sell for $1,565, and the de luxe convertible coupé for $1,670. These prices are f. o. b. Walkerville, taxes extra.

The departure from the conventional is distinctly apparent in the bodies of the new "Blue Streak" line, while there are also many chassis innovations, notably the new banjo frame, the outboard springs and cradled suspension. Studied omission of exterior accessories give the new Graham bodies flowing smoothness of contour. The absence of chromium is marked, the radiator grill and hub cap being the only chromium-plated units. Free-wheeling is standard, this feature being effective in all forward speeds. A new synchro-silent gear-shift is also standard equipment.

Other features of note are the dash regulated hydraulic shock absorbers and entirely new resonator exhaust silencer instead of a muffler. This is claimed to reduce back pressure, as well as effectively muffling the exhaust.

1932 Hudsons Will be Built in Canada

This is a Hudson Greater-Eight Brougham, in the Major series, the wheelbase of which is 132 inches. Note the wide doors, both of which are carried on the same hinge-post, and the inclined windshield. The Hudson-Essex line is now being built in Tilbury, Ont. Hudson prices this year range from $1,470 to $2,325, and the Essex from $995 to $1,165, f. o. b. factory.

Canadian Mining News

HOWEY GOLD REPORTS YEAR OF PROGRESS

Production Increasing, Costs Lowering, More Ore

The annual report of Howey Gold Mines for the year ended December 31, last, shows that 1931 was a year of progress but one largely of preparation for expansion that will reflect in the current year's operations. Production was increased, costs were lowered, the ore reserves increased and the debt of the company reduced.

The operating profit for the year was $205,179, of which $157,262 was earned in the second half of the year, as compared with a loss of $7,349 in the nine months after the commencement of operations in 1930. The liberal reserves for depreciation and pre-operating expenses made a deficit on the year's operations of $30,018 as compared with $149,853 the previous year.

The following is a comparative income account:

Income Account

	Year ended Dec. 31 1931 $	9 Mos. ended Dec. 31 1930 $
Ore production	866,606	460,428
Exchange premium ..	47,684	....
Discounts rec.	265	314
	914,555	460,742
Less: Devel. & drill.	47,384	29,405
Mining	301,175	206,601
Slashing & haul. ..	10,276	6,780
Box holes	14,364	14,928
Crushing, etc.	43,511	20,447
Milling exp.	176,359	100,729
Shipping bullion ..	9,914	5,339
Insurance	11,977	10,217
Admin. & gen. exp.:		
Mine office	38,922	37,430
Head office	19,041	13,824
Interest paid	36,453	22,391
Profit on operations..	205,179	*7,349
Less: Depreciation ..	108,266	76,241
Pre-oper. exp. w/o	126,931	66,263
Deficit for period ...	30,018	149,853
Add: Prev. deficit ..	149,853	......
Deficit carr. for'd. ..	170,871	149,853

*Deficit.

During 1931, capital expenditures totalling $70,673 were made that increased the capacity of the mill and made for lower production costs. From an average daily capacity of 433 tons in January the mill was tuned up until, in December, it treated 750 tons daily.

The following is a comparison of production in 1930 with that in 1931 by months:

	Tons waste sorted	Dry tons milled	Value per ton $	Recovery $
1930 (9 mos.)	....	110,438	*4.17	460,428
1931:				
January ...	615	13,432	5.17	66,437
February ...	166	13,109	4.43	55,052
March	665	15,392	4.21	61,325
April	833	15,532	4.63	65,954
May	382	16,462	4.21	64,430
June	....	18,041	4.67	77,980
July	....	17,150	4.91	77.604
August	1,163	19,202	3.97	68,759
September ..	2,782	18,691	4.65	75,772
October	3,426	19,993	4.57	81,312
November ..	3,060	21,188	4.10	80,741
December ..	2,232	23,365	4.17	91,240
1931	15,324	211,552	4.45	866,606

*Recovery per ton.

What is regarded as amazing is the low operating costs of the company, situated as it is in the Patricia district 110 miles from the railway and removed from other producers. Costs have been steadily reduced and are now the lowest of any gold mine in Ontario. Improvements added early in 1932 spell still lower costs.

There was a substantial increase in ore reserves for the year despite the somewhat lesser expenditures on development work. Positive ore reserves were shown at the end of the year at 567,775 tons including 195,724 tons of broken ore. In addition the probable ore is estimated at 287,880 tons or a total ore reserve of 855,655 valued at $3,636,533. The following is a comparison of costs for 1930 and 1931.

Costs Per Ton Of Ore Milled
Years Ended Dec. 31

	1931	1930
Develop. & exploration	$0.22	$0.27
Mining	1.54	2.07
Milling	1.04	1.10
Taxes & marketing	.05	.05
Gen. & adminis. exp.	.50	.76
Operating costs	3.35	4.25
Deprec. & write-offs	1.11	1.30
Total cost per ton milled	4.46	5.55
Recovery per ton	4.10	4.17
Loss per ton	.36	1.38

The balance sheet shows that the relief promised from the company's financial burdens was fulfilled and that the loan from W. S. Cherry, the company's vice-president, was reduced from $596,600 on December 31, 1930, to $428,400 at the end of last year, and R. T. Birks, president of the company, says there are excellent reasons for the expectation that it will be entirely liquidated during the present year.

MINING INSTITUTE AND PROSPECTORS OPPOSE ENGINEERS

Professional Engineers' Act Meets Considerable Opposition

The Professional Engineers Act 1932, scheduled to come before the Ontario legislature during the present session, is being strongly opposed by the Toronto branch of the Canadian Institute of Mining and Metallurgy and by the newly formed Ontario Prospectors' Association.

At a meeting held on February 27, the Institute heard the Act explained in so far as it affects the plained in so far as it affects the Act felt that it was ambiguous and that danger would lie in its administration, which resulted in the following resolution being passed:

"That members of the Toronto branch, Canadian Institute of Mining and Metallurgy, do strongly oppose the application of the proposed bill respecting professional engineers so far as it concerns the operation of mines, concentrating mills and smelters or any branch or phase of the mining industry in Ontario."

At a meeting of the Ontario Prospectors' Association held in Toronto March 1, it was unanimously approved to oppose the proposed Act as not being in the interests of the prospectors.

New Mine Looms South of Siscoe

Robert Gamble and associates have optioned the St. Germain-Gail claims about two miles south of the Siscoe Gold Mines in Varsan township northwestern Quebec, and have a party engaged in getting out about 15 tons of ore for shipment to Ottawa for bulk sampling.

This area is a hive of industry and this season promises to witness some major development work going on. Siscoe has pioneered the area and after nearly 15 years of indifferent success has brought in a mine that is attracting attention of the Dominion, having just declared an initial dividend.

HOWE SOUND CO. REPORTS PROFITS $1.23 PER SHARE

Dividends Paid During 1931 Were $2.25 Per Share

Annual report of Howe Sound Co. for the year ended December 31, 1931, showed a net profit of $593,215 or $1.23 per share as compared with $2,030,292 or $4.09 per share in the previous year, and as compared with dividend requirements of $1,100,030.

Production of all metals with the exception of copper and gold showed a substantial increase in 1931 over that of the previous year, but low metal prices reduced the company's earnings to the lowest since 1924.

The following is a comparison of the consolidated income and surplus accounts:

Consolidated Income and Surplus Account

	1931 $	1930 $
Operating revenue ..	8,117,820	13,210,459
Less oper. expenses:		
Mining	1,761,802	3,180,851
Transportation	192,131	241,368
Milling	666,583	920,765
Marketing	4,619,443	5,844,462
Administration	183,755	248,123
Net oper. earn.	694,106	2,765,890
Add: Other income .	475,857	448,313
Total net earn.	1,169,963	3,214,203
Less: Exam. & prosp.	......	......
Depreciation	482,305	889,652
Taxes	94,443	294,259
Interest	......	......
Net profit	593,215	2,030,292
Less appropriations:		
Dividends	1,100,030	1,984,152
Surp. for year	*506,815	46,140
Add: Prev. surp. ..	†13,643,527	†14,290,898
Capital surplus ...	......	......
Less: Approp. for new prop.	......	500,000
Bal. forward	13,136,712	13,837,038

* Deficit. † After adjustments.

Earnings per Share and Div. Record:

	1931	1930
Earn. (on net profit)	$1.23	$4.09
Paid	2.25	4.00

Owns Britannia Mine

Howe Sound Co. is a Maine incorporation of 1903 with headquarters in New York City. Its interest in Canada is in the control of the Britannia Mining & Smelting Co., at Britannia Beach, B.C., the principal source of the company's copper production. Through another subsidiary, the El Potosi Mining Co., in Northern Mexico, the company produces lead and zinc concentrates containing gold and silver.

E. B. Schley, chairman of the board, and Wm. J. Quigly, president, commented on the company's operations in the annual report as follows:

Owing to the drastic decline in the price of copper it became necessary to adopt a policy of retrenchment at the Britannia Mining & Smelting plant which included the laying off of a considerable number of employees and reducing the wages of the remainder, so that at the close of the year copper marketed from production had been restricted to less than one-quarter of the plant capacity.

Further developments below the 2,700-ft. level having disclosed a most promising continuance of ore of commercial grade at depth, an extension of the mill level adit, a distance of 10,000 ft., was started in September last that will require at least two years to complete. This tunnel will admit of development of the most important section of mineralized ground and facilitate the movement of ore from mine to mill.

The company has a strong liquid position with current assets of $6,007,596 including $4,616,946 in United States, Dominion of Canada and other bonds.

The following is a comparison of current assets and liabilities for 1931 with that of 1930:

Working Capital

	1931 $	1930 $
Current assets	6,007,596	7,748,486
Current liabilities ...	753,104	1,219,401
Working capital	5,254,492	6,529,085

Ontario Lignite Being Tested For Briquettes

Coincident with the test being made of Northern Ontario lignite in Germany and Austria, the Department of Mines, Ottawa, has been conducting briquetting tests on char that have proven satisfactory.

According to the Department of Mines, the briquettes produced approach in quality those made from Pennsylvania anthracite, although the ash content is appreciably higher than in the anthracite and domestic coke available. Experiments are being carried on to produce a char with a lower ash content by the carbonization of selected lignite as the laboratory tests have been successful in this direction.

Further tests on briquetting are planned for the purpose of determining their efficiency in ordinary domestic furnaces.

The four bulk samples of lignite shipped to Europe are being subjected to various briquetting treatments. These shipments, made last fall, reached their destination early this year and it is expected that within the next four or six weeks an official report will be available on the tests conducted.

ELDORADO REPORT SHOWS BUSY YEAR, AND EXPENSES LOW

Impressive Silver and Pitchblende Values Are Given

Annual report of Eldorado Gold Mines for the year ended December 31, last, reflects a period of great exploration activity, although operations were conducted in an economical manner. During the working season a party of nine was maintained at Echo Bay, Great Bear Lake, in exploration work, which was conducted at a total cost of $22,410 including aeroplane transportation expenses.

The profit and loss account shows an income of $14,779 from dividends and interest on investments. From this is deducted executive salaries and administration expenses totalling $11,162 and interest of $1,250, leaving a surplus of $2,267.

The liquid position of the company showed an improvement with a working capital of $318,627 as compared with $256,736 the previous year. Included in the current assets are investments of $230,064, cash $17,247, accounts receivable $100,387 and inventories of $17,757, totalling $365,455. Current liabilities total $46,828 including a bank loan of $40,000. The increase in the company's liquid position is attributable to the acquisition of stocks, which consist of payments due on property optioned in the Echo Bay area. Eldorado's officials state that Gilbert La Bine acquired a number of outside properties in the area from various interests, and that these have been sold to syndicates on short term options. As at December 31, over $15,000 had been paid on the options and since that time a like payment has been made, with further payments due at an early date. The profit on the sale of these properties accrues to Eldorado, Gilbert La Bine being reimbursed only for his outlay in acquiring the claims.

Issues Treasury Shares

The balance sheet shows 2,806,133 shares outstanding out of 3,000,000 shares authorized. This is an increase of 243,943 shares from that shown in the previous year. Eldorado officials explain this issue as including 60,000 shares issued to Shirley Cragg for property; 150,000 shares issued to Gilbert La Bine in lieu of his 10 per cent interest in the properties staked, and 33,943 to miscellaneous individuals, including subscription allotments not exercised in previous years.

It had been expected that in discharging Gilbert La Bine's 10 per cent interest in the property staked, that it would mean the issue of 10 per cent of the authorized capitalization of the company or 300,000 shares. However, it was decided to base the 10 per cent on 1,500,000 shares, or those originally issued for property. This leaves close to 200,000 shares in the company's treasury for further financing, if required.

The report states that the company's holdings in Echo Bay now comprise approximately 5,000 acres and that 20 men will go into the property in Northern Mexico, preparing the property for production. M. Pocher, metallurgical chemist and one of the original associates of Mme. Curie, who has been treating radium ore in Cornwall, England, since 1921, has been retained by Eldorado to take charge of the treatment and refining of radium in a plant the company proposes erecting in Ontario this year.

Ore Shipped

Last year eight tons of selected high grade pitchblende were taken out of an open cut four feet deep on No. 1 vein and an additional 12 tons were removed from pits Nos. 1, 2, 6 and 9 on the No. 2 vein and all shipped to Waterways where the ore remains awaiting decision regarding plans for treatment. Transportation costs have been reduced for the current year to $320 per ton from Waterways to Echo Bay and 50 per cent less from Echo Bay to Waterways.

The following excerpts are from annual reports of development and assays:

The pitchblende occurs in stringers one-half inch to 18 inches wide, within parallel quartz veins, the principal ones known being No. 1, 2 and 3, are about 300 ft. apart running northward from La Bine point and are yet to be completely prospected.

Vein No. 2 has received the principal development and has been prospected and trenched with 14 pits for a distance of 1,350 ft. Pitchblende and native silver are reported as found along the entire length of this zone. Silver is most plentiful on the east side of the pitchblende in pit No. 2. No attempt has been made to find the full width of the mineralized zone, except in the most northerly trenches Nos. 13 and 14, and in trench No. 3 (550 ft.) where heavy mineralization was found extending for a width of 25 ft. on the east side of the pitchblende vein. Pit No. 6 was open cut for a length of 35 ft. showing pitchblende for an average width of 3 inches. In blasting 4 ft. below the surface silver began to appear in important amounts. A sample cut 12 inches in the south end assayed 1,210 oz. of silver per ton, and a further channel sample from the centre of the open cut assayed 503.35 oz. across a width of 66 inches.

In No. 1 pit on the No. 1 vein the average width of the high-grade pitchblende was 10 in. from which eight tons of high-grade pitchblende were selected and shipped from open cut 12 ft. deep. At a point 400 ft. north of No. 1 pit a 40-ft. length of pitchblende, averaging three inches in width, was uncovered and there appears to be a good tonnage of high grade.

Pitchblende is reported as found in three other zones west of the No. 2 but only on the No. 3 vein of this series has any work been done owing to the importance of the showing on the No. 1 and 2 veins.

Index of Mining Stocks

The weighted index number of 20 mining stocks compiled by the Dominion Bureau of Statistics on the base 1926—100, was 56.6 for the week ending February 25, as compared with 57.5 for the previous week.

Eleven gold stocks fell from 57.6 to 56.7, four gold-copper stocks from 61.6 to 60.8, and five silver and miscellaneous stocks from 21.0 to 21.8.

AJAX OIL & GAS REPORT PROFITS OF $15,425 NET

Operating Earnings $228,129 But Heavy Write-offs Are Made

Provision is being made for the payment of a dividend at an early date, according to the annual report of Ajax Oil & Gas Co. for the year ended December 31, last, which shows a net profit of $15,425 as compared with $23,322 in the previous year. Write-offs greatly exceeded the previous year. The excess of current assets over current liabilities is shown as $20,037. The outstanding capitalization is the same as shown the previous year, $987,875 in $1 par value shares.

The following is a comparison of the consolidated income and surplus account:

Consolidated Income & Surplus Account
Years Ended Dec. 31

	1931 $	1930 $
Operating earnings	228,129	76,422
Less: Depreciation	20,236	8,985
Depletion	93,057	39,506
Development costs	96,714	2,155
Prov. for inc. tax	2,697	2,454
Net profit and surplus ..	15,425	23,322
Add: Prev. surplus	*30,496	......
Profit on sale of equip.	......	182
Less: Aband. leases w.o..	......	54,000
Develop. costs w.o. ...	23,007	......
Loss on sale of equip...	83	......
Abandoned royalties ..	8,249	......
Adj. of 1930 inc. tax ..	579	......
Deficit carried forward..	45,990	30,496

*Deficit.

F. L. Culver, president of the company, commented on the year's operations in the annual report as follows:

"The major development during the past year has been to continue opening up the Six Nations Indian Reserve field. Further development will be undertaken as soon as conditions warrant. Sales of natural gas have declined due largely to climatic conditions.

"The financing of the Chatham Oil Company's operations necessitated the raising of a bank loan which at December 31, amounted to $34,000. On February 19, 1932, this loan had been entirely paid off and your company will have funds available for the further drill as may be deemed most advisable at the time."

The annual meeting of the company is called for March 14, in Toronto.

McLEOD OIL CO. PROFITS $1,589 DIVIDEND $13,343

Restriction Lifted For Initial Dividend

Annual report of McLeod Oil Co. for the year ended December 31, last, shows net profits of $1,589 as compared with $1,480 the previous year. There was a decline in the value of the output of the company's wells with the exception of No. 5. Operating expenses were lower and write-offs about the same.

The following is a comparison of the income and surplus accounts for 1931 and 1930:

Income and Surplus Account
Years Ended Dec. 31

	1931 $	1930 $
Proceeds from prod., less roy. & taxes:		
Nos. 1 & 2 wells	11,810	25,486
No. 3 well	1,567	6,511
No. 4 well	35,976	67,164
No. 5 well	33,869	762
Total net proceeds	83,222	99,923
Less devel. & oper. exp.:		
No. 1 well	3,048	11,280
No. 2 well	1,920	3,106
No. 3 well	20,246	28,935
No. 4 well	8,422	2,746
No. 5 well	5,067	789
Salaries & mgt.	6,004	8,235
Misc. exp.	3,929	10,050
Oper. earn.	34,586	34,782
Int. on investments	844	......
Less: Deprec.	32,838	32,613
Depletion	530	493
Bad debts w/o	474	196
Net profit	1,589	1,480
Add: Prev. surplus	45,829	43,349
Prem. on shs. sold	......	1,000
Bal. carried fwd.	47,418	45,829

Pays Dividend

In December last an initial dividend of five cents per share was declared payable on January 25, 1932. Under an agreement with W. S. Herron, the company was restricted in the payments of dividends until seven wells had been drilled and until a reserve fund of $100,000 had been created out of profits. This restriction was waived by Mr. Herron in so far as it concerns the first dividend.

The balance sheet of the company shows current assets of $33,181 and current liabilities of $4,094. The outstanding capitalization is $266,855 in $1 par value shares.

Granada Gold Drill Results Add Interest

Diamond drilling results by Granada Gold Mines, 2,200 ft. east of full length of the property, have indicated a mineralized zone of great width carrying encouraging values in gold. Two holes were drilled in this area about 250 ft. apart to a depth of around 1,000 ft. and since this indication is 1,000 ft. farther east than any present underground workings the management is decidedly optimistic over the results.

With the electrification of the mill a few weeks ago, the tonnage has been stepped up and is currently treating 100 tons daily, with some days reaching as high as 125 tons. Arrangements are being made to add cyanide equipment to treat the concentrate produced, which in the past has been shipped to the Noranda smelter. This will make for lower costs and greater efficiency and to this end the company has been accumulating these concentrates for some time past.

Underground developments on the No. 5 vein system has broken into some high grade ore on the 625 ft. level. Some time ago a long crosscut was made to the east to reach the nose of a porphyry mass. This objective has just been reached and the results obtained were not unexpected. At the present time five veins are being worked on the 625 ft. level, while on the 775 ft. 700 ft. of commercial ore has been indicated. The shaft has been reached a depth of about 950 ft. and arrangements are being made to open up a new level at 900 ft.

New Syndicate Is Capitalizing Eldorado Find

Shareholders of Eldorado Gold Mines are being solicited for funds on the ground that they are being given the first opportunity to participate in the Sun Bear Syndicate, holding an option on two groups of claims, which their sponsors state are in the heart of the Great Bear Lake silver and pitchblende field with possibilities of successful development considered to have been done. Shareholders of Eldorado have been urged by some of the salesmen of Sun Bear Syndicate to sell their holdings and invest in Sun-Bear.

Eldorado holds the original finds in the area and is the only property on which any worthwhile development has been done.

NORDON EXPENSES ARE NOW REDUCED TO MEET INCOME

Drilling Results in Alberta Are Regarded as Indecisive

Shareholders of Nordon Corp. are in receipt of an interim statement concerning the company's activities, advising that application has been made for the indefinite suspension of trading in the company's shares on the New York Curb Exchange, as an economy measure.

Shareholders are advised that drilling results in Alberta have been indecisive. The ten river wells, drilled on Nordon acreage by the Parco Oil Co., encountered an excellent grade of crude oil at the top of the porous zone of the Madison limestone. Oil was bailed from the hole at the rate of approximately 150 barrels per day. In deepening the well water was encountered and in the process of cementing off it is feared that part of the oil horizon has been closed and that shooting may be necessary to recover the original flow.

The staff of the company has been reduced and with the resulting small overhead, the company reports it is now in a position to carry on indefinitely with the occasional sale of a portion of a lease.

During the past year approximately 200,000 shares of treasury stock were sold to maintain the company's cash position, but it is not anticipated that a similar situation will arise in the future.

The annual meeting of the company is called for March 8, in New York, at which time a financial statement of the company will be presented.

With the delisting of the shares on the New York Curb the Montreal Trust Company of Toronto, Winnipeg and Vancouver will be sole registrars and transfer agents of the company's shares.

Tailings

Shareholders of Tashota Gold Mines are in receipt of a notice calling an annual meeting for March 9. Last autumn the company optioned some of its treasury shares to a broker, the proceeds from which enabled the company to de-water the mine and resume work on a small scale but there has been no recent activity. The company is still looking for funds.

* * *

A road is being cut from the Goodfish property seven miles north of Kirkland Lake to the holdings of the Birch Lake Synd. in Bernhardt Township. N. P. Harvey, syndicate manager, reports that a diamond drill is to be taken to the property, which is equipped with a camp. Considerable surface work has been done in the past, with encouraging results.

* * *

Canadian Pandora Gold reports the encountering of a vein in its shaft sinking operations at a depth of 200 ft. Sinking is to continue to an immediate objective of 500 ft. At the 250-ft. horizon it is proposed to run a crosscut to the vein encountered in the shaft.

* * *

L. Soliague, long connected with various mining companies in Toronto has been appointed secretary-treasurer of the Macassa Mines, succeeding G. A. Young, deceased.

* * *

At the annual meeting of shareholders of Lebel Ore Mines to be held March 4, approval will be sought to option a group of 15 claims in Louvicourt, Quebec, from S. B. Jowsey, F. H. Todd and F. C. Shaw. The option involves a purchase price of $75,000 with payments spread over to May 1, 1934. Shareholders will also be asked to approve an increase in the capitalization of the company from $1,500,000 to $3,000,000, and to dispose of the remaining treasury shares at one cent each or a higher price.

* * *

Empire Holdings Synd., of which Bruce McMurty is manager, has acquired an 80 per cent interest in a gold property at Moose River, N.S. The property was a former producer equipped with a small mill and an attempt is to be made to rehabilitate the property for production.

* * *

While Royalite is still the largest producing company in Turner Valley, its lead is being threatened by half a dozen other companies, the January report of the Imperial, Regal and Bell refineries reveals. Royalite marketed 10,378 barrels last month. Other large producers were: Southern Lowery with 6,429 barrels; Mercury with 7,082 barrels, Merland with 4,501 barrels; Sterling Pacific with 4,237 barrels and East Coast with 4,300 barrels. Home, ordinarily one of the largest producing companies in the field, delivered only 2,448 barrels.

* * *

The W. A. D. Syndicate, named after its original backers, Wentworth, Anderson and Davis, has joined the rush into the Island Lake area in Manitoba, adjacent to the Ontario boundary. Several years ago the company was active in the Ceneral Manitoba area and staked what is now the Central Manitoba Mines.

* * *

Sherritt-Gordon's production during January was slightly above the previous average, according to the information from the property. Considerable new development is planned, it being the intention to deepen the main shaft from 750 to the 1,200 ft. level and to re-open the central shaft.

INSPECTOR FINDS IRREGULARITIES BY YUKON GOLD

Former Manager, A. N. C. Treadgold, Facing Serious Charges

Yukon Consolidated Gold Corp. is alleged to have had serious irregularities in respect to management, according to the report of G. T. Clarkson, C.A., Toronto, who was appointed as inspector under the Companies Act to investigate the affairs of the company.

Early in 1931 A. N. C. Treadgold, former general manager of the company, was relieved of his position following the application of a group of English shareholders to investigate the affairs of the company, which operates important gold dredging leases on the Klondyke River.

The findings of Mr. Clarkson are, according to such reports as have been made public, that there was an over issue of the original shares of the company to the extent of 213,219 shares. The company's capitalization is $6,000,000 in $1 par value shares.

Mr. Justice Raney will preside over a non-jury court next week in Ottawa to air the affairs of the company.

Serious Charges Pending

In his conclusions, Mr. Clarkson states as follows: "In respect to management of the affairs of the Yukon Consolidated Gold Corporation, Limited, and its subsidiaries, my opinion, having regard to the evidence given and the facts adduced before me, is that A. N. C. Treadgold conducted the same between the years 1925 and 1930, largely upon the footing that it was his own and that the Act of the company itself, and that he was free to act upon his own initiative and responsibility. His statement that the board of directors in Ottawa was too far distant from the site of operations and without sufficient technical knowledge to direct operations successfully is, to my mind, no excuse for having delegated the duties of directors entirely over a number of important matters to the management.

"During the period of Mr. Treadgold's management, a number of transactions were entered into by him of which contention now exists that it is evidence that they were effected for the benefit of the company or for the benefit of Mr. Treadgold personally. In my opinion, at this stage virtually... the funds of the Yukon Consolidated Gold Corporation, Ltd., and its subsidiaries appear to have been used indiscriminately when payments were required to be made for the purchase of any of such companies."

Canusa Mines Finance by Optioning Stock

In a letter to shareholders B. G. Wessels, president of Canusa Mining & Exploration Co., reports that a block of treasury stock has been optioned to E. G. Joy, of Pittsburgh, and that he feels confident that the treasury will be replenished with ample funds for it as desired.

The 50-ton mill completed last summer has been operated to a small capacity a few hours a day and results are reported as satisfactory. Underground work at the 300-ft. level gave an assay of $9.60 across a commercial width, while drifting on the 100-ft. level for a distance of 575 ft. shows gold in a number of places, the letter advises.

METAL PRICES

New York—March 1—
Copper: Electrolytic spot, 5¾c. lb.
London—March 1—
(Long ton)—
Copper: Electrolytic spot, £36 10s; future, £37 10s.
Standard spot, £32 5s; future, £32 15s.
Tin: Spot, £137 10s; future, £139 15s.
Lead: Spot, £12 2s 6d; future, £12 15s.
Zinc: Spot, £13; future, £13 7s 6d.
Silver: 19¾d. per ounce.

PIONEER GOLD

WE have just issued a review of Pioneer Gold Mines of B.C., Ltd. This analysis is compiled from official statements and from reports of reputable mining engineers.

Pioneer Gold Mines is a well-managed, dividend-paying gold property which has developed important, high-grade gold reserves. Its mill capacity is now being trebled, all out of earnings. Increased earnings should become effective by Oct., 1932.

Analysis on Request

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